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CONFIDENTIAL**William Mougayar,
12/6/2019**

<p>1 UNITED STATES DISTRICT COURT 2 FOR THE SOUTHERN DISTRICT OF NEW YORK 3 4 UNITED STATES SECURITIES) AND EXCHANGE COMMISSION,) 5) 6 Plaintiff,) Case No. 7) 1:19-cv-05244 8 v.) 9) 10 KIK INTERACTIVE INC.,) 11) 12 Defendant.) 13 14 CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER 15 VIDEO DEPOSITION OF 16 WILLIAM MOUGAYAR 17 Friday, December 6, 2019 18 Washington, D.C. 19 20 21 22 23 Reported by: 24 Lori J. Goodin, RPR, CLR, CRR, RSA 25 California CSR #13959 JOB No. 191206LJG</p> <p style="text-align: center;">1</p>	<p>1 APPEARANCES 2 For Plaintiff: 3 4 SECURITIES & EXCHANGE COMMISSION BY: DAVID S. MENDEL mendeld@sec.gov 5 LAURA K. D'ALLAIRD dallairdl@sec.gov 6 Attorneys at Law 100 F. Street, Northeast 7 Washington, DC 20549 202-551-4418 8 9 For Defendant: 10 COOLEY LLP BY: LUKE T. CADIGAN lcadigan@cooley.com 11 500 Boylston Street 12 14 h Floor Boston, MA 02116 13 617-937-2480 14 15 For the Witness: 16 MURPHY & MCGONIGLE BY: STEPHEN J. CRIMMINS scrimmins@mmlawus.com 17 Attorney at Law 1001 G Street, Northwest 18 7th Floor Washington, DC 20001 19 202-661-7031 20 21 VIDEOGRAPHER: 22 JEFFREY ELAM GRADILLAS COURT REPORTERS 400 N. Brand Boulevard, Suite 950 23 Glendale, California 91203 424-239-2800 24 25</p> <p style="text-align: center;">3</p>
<p>1 UNITED STATES DISTRICT COURT 2 FOR THE SOUTHERN DISTRICT OF NEW YORK 3 4 UNITED STATES SECURITIES) AND EXCHANGE COMMISSION,) 5) 6 Plaintiff,) Case No. 7) 1:19-cv-05244 8 v.) 9) 10 KIK INTERACTIVE INC.,) 11) 12 Defendant.) 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">2</p>	<p>1 INDEX 2 WITNESS: EXAMINATION PAGE 3 WILLIAM MOUGAYAR 4 BY MR. MENDEL 12 5 6 EXHIBITS 7 EXHIBIT NO. PAGE DESCRIPTION 8 Exhibit 126 15 Subpoena to testify 9 Exhibit 127 17 Title page of Mr. Mougayar's book, The Business Blockchain, 2016 10 Exhibit 128 42 E-mail chain, Mougayar to Heinke, 4/28/2017 11 Exhibit 129 46 E-Mail chain, Mougayar and Heinke, 6/28/2017 12 MMLWM-00000555 13 Exhibit 130 50 E-mail chain, Mougayar and Heinke, about SAFT, 14 7/17/2017 15 MMLWM-00000598 16 Exhibit 131 51 Text exchange, Mougayar and Heinke, 7/21 17 MMLWM-00000728 18 Exhibit 132 54 E-mail chain, Mougayar and Heinke, Your voice mail, 19 8/10/2017 20 MMLWM-00000731 21 22 23 24 25</p> <p style="text-align: center;">4</p>

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<p>1 EXHIBITS CONTINUED</p> <p>2</p> <p>3 EXHIBIT NO. PAGE DESCRIPTION</p> <p>4 Exhibit 163 253 Draft of Kin Ecosystem</p> <p>5 Foundation Minutes of Board</p> <p>6 Meeting, 10/11/2018</p> <p>7 Exhibit 164 256 Slide presentation</p> <p>8 MMLWM-00001540</p> <p>9</p> <p>10 (Original Exhibits attached to the</p> <p>11 original transcript.)</p> <p>12</p> <p>13 PRIOR MARKED EXHIBIT</p> <p>14 FIRST REFERRAL</p> <p>15 EXHIBIT PAGE</p> <p>16 16 137</p> <p>17</p> <p>18 INSTRUCTION NOT TO ANSWER</p> <p>19 PAGE LINE</p> <p>20 150 2</p> <p>21 152 17</p> <p>22 154 13</p> <p>23 156 5</p> <p>24 159 15</p> <p>25 * * *</p> <p>10</p>	<p>1 please introduce themselves and who they</p> <p>2 represent.</p> <p>3 MR. MENDEL: I am David Mendel, for</p> <p>4 the U.S. Securities and Exchange Commission.</p> <p>5 MS. D'ALLAIRD: I am Laura D'Allaird</p> <p>6 for the U.S. Securities and Exchange</p> <p>7 Commission.</p> <p>8 MR. CADIGAN: Luke Cadigan, for Kik</p> <p>9 Interactive, Cooley LLP.</p> <p>10 MR. CRIMMINS: My name is Steve</p> <p>11 Crimmins from the firm of Murphy and</p> <p>12 McGonigle, and I am counsel for the witness</p> <p>13 Mr. William Mougayar.</p> <p>14 THE VIDEOGRAPHER: Will the court</p> <p>15 reporter please administer the oath.</p> <p>16 * * *</p> <p>17 WILLIAM MOUGAYAR,</p> <p>18 a witness called for examination, having been</p> <p>19 first duly sworn, testified as follows:</p> <p>20 * * *</p> <p>21 THE VIDEOGRAPHER: Thank you.</p> <p>22 EXAMINATION</p> <p>23 BY MR. MENDEL:</p> <p>24 Q. Good morning.</p> <p>25 A. Good morning.</p> <p>12</p>

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1 Q. Can you please restate and spell
2 your full name?
3 A. Yes, William Mougayar.
4 Q. And can you spell that please, for
5 the record?
6 A. M-O-U-G-A-Y-A-R.
7 Q. Thank you. And can you state your
8 home address, please?
9 A. My address is [REDACTED]
10 [REDACTED].
11 Q. Can you spell the street name again?
12 A. [REDACTED]
13 [REDACTED]
14 Q. Is that near Toronto?
15 A. It is just outside Toronto, yes.
16 Q. Do you have any other personal
17 addresses?
18 A. No, I don't.
19 Q. Do you have any addresses or offices
20 in the United States?
21 A. No, I don't.
22 Q. As I mentioned, my name is David
23 Mendel. I represent the plaintiff in this
24 lawsuit, the U.S. Securities and Exchange
25 Commission in its lawsuit against Kik

13

1 Interactive.
2 I just want to go over some general
3 procedures for conducting the deposition before
4 we get started on substance.
5 As you know we have a court reporter
6 who is transcribing what we say. And so it is
7 good to bear in mind that we would like to create
8 a clean transcript. It is good if you let me
9 finish my question first before starting to
10 answer. Even though you think you know what I'm
11 going to say, just let me finish my question
12 first to get a clean transcript.
13 Please give audible responses,
14 instead of a body gesture or a shake of the head
15 or a nod of the head.
16 And if you don't understand any
17 question, please let me know and I will try to
18 rephrase it and make it more understandable.
19 You understand that you are under
20 oath today?
21 A. Yes.
22 Q. And are you taking any medication
23 today that can affect your memory?
24 A. No.
25 Q. Is there any other reason that it

14

1 might be difficult for you to give full and
2 complete testimony today?
3 A. No.
4 Q. I'm going to give you what has been
5 marked as Deposition Exhibit 126. And you can
6 take a look at it.
7 (Whereupon, Exhibit 126
8 was marked for identification.)
9 BY MR. MENDEL:
10 Q. It says Subpoena to Testify at a
11 Deposition in a Civil Action on the first page.
12 A. Yes.
13 Q. And it has the case caption. Have
14 you seen this before?
15 A. Not in this form.
16 MR. CRIMMINS: We will stipulate
17 that this is the subpoena which we have
18 accepted on Mr. Mougayar's behalf and that he
19 is appearing today pursuant to this subpoena.
20 MR. MENDEL: Thank you. If you can
21 give that back to me.
22 THE WITNESS: Yes.
23 BY MR. MENDEL:
24 Q. Actually, we will do this. What
25 year were you born?

15

1 A. 1959.
2 Q. And where were you born?
3 A. In Beirut, Lebanon.
4 Q. Where did you grow up?
5 A. Up until the age of 17 I grew up in
6 Lebanon and then I moved to Canada.
7 Q. Did you go to a college or
8 university?
9 A. Yes, I went to the University of
10 Washington in Seattle.
11 And then I also went to the
12 University of British Columbia in Vancouver, and
13 I have a Management Degree from the University of
14 Western Ontario in London, Ontario.
15 Q. What do you study at the University
16 of Seattle?
17 A. Electrical Engineering.
18 Q. I'm sorry, the University of
19 Washington, yes.
20 A. Electrical Engineering. I received
21 a bachelor's degree.
22 Q. And when did you receive your
23 degree?
24 A. 1980.
25 Q. And what about your other degrees,

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<p>1 when did you receive those?</p> <p>2 A. The UBC was a graduate, I did not</p> <p>3 get a degree. I attended graduate commerce</p> <p>4 courses. But it was not a degree.</p> <p>5 And in London it was a Marketing</p> <p>6 Management Degree.</p> <p>7 (Whereupon, Exhibit 127</p> <p>8 was marked for identification.)</p> <p>9 BY MR. MENDEL:</p> <p>10 Q. I am providing you what has been</p> <p>11 marked Deposition Exhibit 127.</p> <p>12 A. Yes.</p> <p>13 Q. And do you recognize this?</p> <p>14 A. Yes.</p> <p>15 Q. Take a look at it.</p> <p>16 A. Okay.</p> <p>17 Q. It says, it is a title page, The</p> <p>18 Business Blockchain. It is the title of your</p> <p>19 book, correct from 2016?</p> <p>20 A. Yes.</p> <p>21 Q. And then there is a personal</p> <p>22 preface. Do you see that?</p> <p>23 A. Yes.</p> <p>24 Q. Okay. And you drafted this, right?</p> <p>25 A. Correct, I did.</p> <p>17</p>	<p>1 A. That's correct.</p> <p>2 Q. What were the dates of those?</p> <p>3 A. From '82 until '95.</p> <p>4 Q. Okay. And then you were an</p> <p>5 independent consultant. Is that right?</p> <p>6 A. That's correct.</p> <p>7 Q. Okay. What are some of the</p> <p>8 companies you were an independent consultant for?</p> <p>9 A. During which period? During the</p> <p>10 period of --</p> <p>11 Q. Well, it says --</p> <p>12 A. '95 to 2005?</p> <p>13 Q. Yes. The next period of time from</p> <p>14 '95 to 2005?</p> <p>15 A. From memory I can name a few. Many</p> <p>16 of them were large companies, Fortune 500</p> <p>17 companies in North America, in Europe,</p> <p>18 internationally, including CIBC, IBM, Oracle,</p> <p>19 Microsoft, First Union Bank. This goes back a</p> <p>20 long time.</p> <p>21 So, a number of technology</p> <p>22 companies, some of the ones I just mentioned,</p> <p>23 Hewlett Packard, specifically. Motorola in</p> <p>24 Chicago. These are some of the ones that come to</p> <p>25 my mind at this point.</p> <p>19</p>
<p>1 Q. Is it right that starting in 2014</p> <p>2 you got to know the principal inventor or founder</p> <p>3 of the theory of blockchain?</p> <p>4 A. That's correct.</p> <p>5 Q. That was Mr. Vitalik Buterin?</p> <p>6 A. That's correct.</p> <p>7 Q. And did you develop a close working</p> <p>8 relationship with Mr. Buterin?</p> <p>9 A. Yes, I have.</p> <p>10 Q. During the course of that</p> <p>11 relationship, did you learn a lot about Ethereum?</p> <p>12 A. That's correct.</p> <p>13 Q. If you go to the following page, it</p> <p>14 starts on, actually it is the same, it is just</p> <p>15 the page of your book, small Roman Numeral xvii?</p> <p>16 A. Do I have it?</p> <p>17 Q. You have it. It is this page.</p> <p>18 A. Oh, okay. Yes.</p> <p>19 Q. Starting on that page you start to,</p> <p>20 you summarize your professional background.</p> <p>21 A. Yes.</p> <p>22 Q. Is this summary accurate?</p> <p>23 A. Yes.</p> <p>24 Q. And it mentions that you spent</p> <p>25 14 years at Hewlett Packard; is that right?</p> <p>18</p>	<p>1 Q. What generally, I mean, at a very</p> <p>2 high level, what was the nature of your</p> <p>3 consulting relationships?</p> <p>4 A. It was mostly related to business</p> <p>5 strategies, internet related business strategies.</p> <p>6 The internet was new at the time and</p> <p>7 companies required my expertise to learn about</p> <p>8 e-commerce.</p> <p>9 Q. Okay.</p> <p>10 A. And the impact of the internet on</p> <p>11 their businesses. That is really the extent of</p> <p>12 it. And most of the interactions were at the</p> <p>13 executive levels with the senior, senior managers</p> <p>14 or executives of these companies.</p> <p>15 Q. In 2016 you published a book,</p> <p>16 correct?</p> <p>17 A. Yes.</p> <p>18 Q. Or you had a book published.</p> <p>19 A. Yes.</p> <p>20 Q. Did you work on that from 2013 to</p> <p>21 2016?</p> <p>22 A. Roughly. I mean as I mentioned in</p> <p>23 the book, some of the work started via the blogs,</p> <p>24 the blogging, the writing, the research, the</p> <p>25 period that you named is pretty accurate in terms</p> <p>20</p>

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<p>1 of the time. Yes.</p> <p>2 Q. And then during that period of time,</p> <p>3 2013 to 2016 what other activities were you</p> <p>4 engaged in?</p> <p>5 A. I was in, back to being an</p> <p>6 independent professional, self-employed, and I</p> <p>7 was doing a lot of writing and then learning</p> <p>8 about the space, basically, and I think I had</p> <p>9 some small engagements with companies in Canada,</p> <p>10 advisory engagements and technology. And I began</p> <p>11 to invest in the space as well. As investment in</p> <p>12 technology startups both in the U.S. and in</p> <p>13 Canada.</p> <p>14 Q. You started to invest during this</p> <p>15 time period, 2013 to 2016?</p> <p>16 A. Approximately, yes, '13, '14, I</p> <p>17 think.</p> <p>18 Q. Since 2016, other than Kik or Kin,</p> <p>19 what professional activities have you been</p> <p>20 engaged in?</p> <p>21 A. A lot of speaking engagements and</p> <p>22 some sitting on some boards and some advisory</p> <p>23 activities.</p> <p>24 Again both in the U.S. and in Canada</p> <p>25 and in Europe.</p> <p style="text-align: center;">21</p>	<p>1 A. On a limited basis, yes, I consulted</p> <p>2 to CIBC, the bank. I did a small speaking</p> <p>3 engagement with some interactions to the Federal</p> <p>4 Reserve Bank in Chicago. That was about 2016,</p> <p>5 perhaps. If I recall, or '17, maybe. Another</p> <p>6 firm in Chicago as well they were in the trading</p> <p>7 business, on a limited basis. Yes.</p> <p>8 Q. Anybody else besides CIBC, the</p> <p>9 Federal Reserve Bank or this other Chicago firm?</p> <p>10 A. No.</p> <p>11 Q. Okay. I will take that exhibit back</p> <p>12 from you.</p> <p>13 A. Sure.</p> <p>14 Q. Going back, you mentioned</p> <p>15 investments that you started to make --</p> <p>16 A. Yes.</p> <p>17 Q. -- in this area. Have you purchased</p> <p>18 any digital assets or cryptocurrencies?</p> <p>19 A. In what period?</p> <p>20 Q. Starting -- well, ever, really?</p> <p>21 A. Yes, I have.</p> <p>22 Q. Okay. And when was the first one</p> <p>23 that you bought?</p> <p>24 A. Probably in '14 I want to say. Yes.</p> <p>25 Q. Which one was that?</p> <p style="text-align: center;">23</p>
<p>1 Q. What boards have you sat on since</p> <p>2 2013?</p> <p>3 A. The Kin Foundation board, the</p> <p>4 OpenBazaar.</p> <p>5 Q. Did you say OpenBazaar?</p> <p>6 A. The OpenBazaar Company, I am</p> <p>7 currently sitting on their board.</p> <p>8 Q. What is that?</p> <p>9 A. It is a peer-to-peer commerce</p> <p>10 startup in the blockchain space.</p> <p>11 Q. Okay.</p> <p>12 A. I was also on the advisory -- do</p> <p>13 advisory boards count?</p> <p>14 Q. Sure. Yes.</p> <p>15 A. The advisory board of the Ethereum</p> <p>16 Foundation, based in Switzerland. Advisory board</p> <p>17 of Coin Center, based in Washington, D.C.</p> <p>18 I was on the board of directors of</p> <p>19 Stratum Company based in Paris, France, and there</p> <p>20 may be one more, I can't remember.</p> <p>21 Q. Okay.</p> <p>22 A. But just a variety, that is like a</p> <p>23 handful, four or five, the ones I mentioned.</p> <p>24 Q. Did you do consulting as well?</p> <p>25 Again, other than for Kik?</p> <p style="text-align: center;">22</p>	<p>1 A. Bitcoin.</p> <p>2 Q. And, what other -- well first let me</p> <p>3 try to get my terminology straight.</p> <p>4 Do digital assets and</p> <p>5 cryptocurrencies, are they the same thing to you?</p> <p>6 A. Yes, we can say, yes, they are the</p> <p>7 same, yes.</p> <p>8 Q. So, if I say digital assets, you</p> <p>9 will include cryptocurrencies, is that okay?</p> <p>10 A. Sure, sure.</p> <p>11 Q. Okay. What other digital assets</p> <p>12 have you purchased?</p> <p>13 A. Since then a variety. Kin is one of</p> <p>14 them. Civic, Block Stack, excuse me. File Coin.</p> <p>15 I am trying to remember now. StorJ, S-T-O-R-J.</p> <p>16 There is another one with a coin in it, I forgot</p> <p>17 the name of it.</p> <p>18 Are you asking me the ones that I am</p> <p>19 still, that I may have, that I may not have them</p> <p>20 currently.</p> <p>21 Q. I will ask follow up questions. I</p> <p>22 just asked for all.</p> <p>23 A. I have dabbled into them for sure if</p> <p>24 that is what you are trying to get at.</p> <p>25 Q. What about Block Deck or Block</p> <p style="text-align: center;">24</p>

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1 Collider?

2 **A.** Oh, yes, Block Collider for sure I
3 participated in. And there is another one,
4 Foam.Space, Foam.Space. And, let me see for a
5 second here.

6 **Q.** That is good for now.

7 **A.** Yes, I may have missed a couple.
8 But, that gives you a --

9 **Q.** That gives a good picture?

10 **A.** I don't think, exactly, yes.

11 **Q.** So, generally speaking, why did you
12 make these purchases? And put aside Kin for now.
13 All of the others, why did you buy those?

14 **A.** Generally speaking, because I
15 believed in the projects that they represented.
16 And in most cases, if not all, I knew the
17 principals and I trusted them that they would
18 deliver on their vision. And I wanted to support
19 them and I believed in what they were working on.

20 **Q.** Was your belief or trust in the
21 principals an important factor in your decision
22 to buy?

23 **A.** I would say yes. It is.

24 **Q.** Why is that?

25 **A.** To be informed. The reason is to be

25

1 BY MR. MENDEL:

2 **Q.** We were talking about your
3 investments in the digital assets specifically,
4 Block Stack, File Coin and Civic. And I asked
5 you approximately how much in dollar value did
6 you invest?

7 **A.** Yes, so Block Stack was 120,000.
8 Civic was, if I recall 35,000 and the same for
9 File Coin, yes, about that, it was 35,000. That
10 is what I remember.

11 **Q.** And so you had bought last Bitcoin?

12 **A.** Bitcoin, I didn't have a lot of
13 Bitcoin. But it varied. Sometimes I had more
14 sometimes I had less.

15 **Q.** Okay. And when did you buy each of
16 these Block Stack, approximately?

17 **A.** February of 2000 and, January and
18 February of 2018, I believe.

19 File Coin, I'm trying to remember.
20 I think it is whenever they were doing their,
21 when they did their offering.

22 **Q.** Okay.

23 **A.** I want to say '17, end of '17,
24 somewhere in there.

25 **Q.** Okay. What about Civic?

27

1 informed about investments. Is that I viewed my
2 investments as informed investments.

3 And part of the diligence is to get
4 to know who was behind them, basically.

5 **Q.** And again putting aside Kin, what
6 were your -- do you think you can recall your
7 biggest three purchases measured by dollar value
8 at the time you bought them?

9 **A.** Well there is one I forgot --
10 actually, no. The biggest one I think maybe
11 Block Stack. Block Stack was a big one.

12 File Coin was also significant. Civic, about the
13 same as File Coin I would say.

14 **Q.** Okay. And, do you recall
15 approximately how much you purchased for each of
16 those starting with Block Stack?

17 **A.** Block Stack about I think \$120,000.

18 MR. MENDEL: Can we just pause off
19 the record for a moment.

20 THE VIDEOGRAPHER: We are going off
21 the record. The time is 10:29 a.m.

22 (Whereupon, a discussion off the
23 record took place.)

24 THE VIDEOGRAPHER: We are back on
25 the record. The time is 10:30 a.m.

26

1 **A.** Or in the middle of '17. Same with,
2 Civic was before. In chronology, what I remember
3 is chronology. I think Civic came first and then
4 File Coin and then Block Stack in the '17 to
5 early '18 time frame.

6 **Q.** Okay. Fair enough, thank you.

7 **A.** Yes.

8 **Q.** And did you buy, of the three that
9 you mentioned, did you buy any of them at a
10 discount?

11 **A.** I recall Civic had a small discount.
12 I mean these were the terms; these were the
13 standard terms. Yes. Civic had a bit of a
14 discount. I don't know if they called it a
15 discount. It was the offering, so, it was
16 whatever was offered.

17 Discount is relative, what is
18 discount, relative to what?

19 **Q.** I guess I should first ask, did you
20 buy any of the three tokens that you just
21 mentioned, did you buy them in the, a sale that
22 was generally available to the public? Or did
23 you do a different process?

24 **A.** If I recall the Civic, I think they
25 were like available to the accredited public, to

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1 the accredited investors.
2 Civic was an accredited process. So
3 was File Coin. And so was Block Stack.
4 **Q.** And so when I mentioned discount,
5 what I was referring to was did you buy them at
6 any kind of discount from what the coin was
7 offered to other people?
8 **A.** I don't think it is fair to call it,
9 I don't think I viewed it as a discount. It was
10 the price at the time.
11 If the price was different later, it
12 was not because it was a discount. It was just
13 because it may have appreciated.
14 So it was the price that was offered
15 at. I didn't view it as a discount.
16 **Q.** Uh-huh. For any of the digital
17 assets that you have purchased, not just these
18 three but any others, have you ever used any of
19 those assets to buy any good or service?
20 **A.** You mean if I, to clarify the
21 question, have I used like the Civic coin to buy
22 an asset?
23 **Q.** To buy something, yes, other than to
24 sell it for some sort of monetary exchange.
25 Did you use it to buy something?

29

1 **A.** No, I have not used it to buy
2 something in the real world, if that is what you
3 are --
4 **Q.** Yes, or even on-line, any sort of
5 item, did you spend it in any sort of fashion
6 on-line?
7 **A.** I have spent cryptocurrency on
8 mundane goods like sometimes a ticket would be
9 offered in cryptocurrency if that is what you are
10 asking.
11 **Q.** Yes.
12 **A.** I have dabbled in buying goods,
13 small goods and services. Not goods, many
14 services, like an event might be offered like a
15 dinner. I think the Coin Center one time they
16 had a dinner and you could pay in Bitcoin. So I
17 think I paid them in Bitcoin --
18 **Q.** I see.
19 **A.** -- to attend. There was a donation,
20 like a dinner, like a gala dinner, something like
21 that. It is minor stuff.
22 **Q.** Okay. What about Kin? Did you ever
23 use Kin to buy any good or service, like what you
24 have just described?
25 **A.** I have used a Kin application, some

30

1 of the Kin apps to, in the, some of them that had
2 Kin in them, to conduct services to play around
3 with it basically.
4 **Q.** When did you do that?
5 **A.** I started doing that when they
6 started to test it in '17, I would say.
7 **Q.** Do you recall the month?
8 **A.** I don't recall the month. It is
9 probably in the latter part, in the end of '17.
10 **Q.** How about since then? Have you used
11 Kin to buy any good or service?
12 **A.** I used some of the, yes, there are
13 some apps that I have on my iPhone that use Kin
14 and I go in and I interact with them on an
15 occasional basis, so I can stay up to date with
16 the ecosystem.
17 **Q.** And what are the apps that you have
18 used on your phone with Kin?
19 **A.** If I had my iPhone I would tell you,
20 but I think Mad Libs and Tap Tap See. I mean it
21 is that I dabbled in them, I don't depend on them
22 on a daily basis.
23 **Q.** Is it fair to say that your use is
24 infrequent?
25 **A.** Correct, yes, correct.

31

1 **Q.** Was it more in the way of
2 experimenting?
3 **A.** You could say it is part of it,
4 experimenting and being in the know about what
5 the capabilities are.
6 **Q.** Have you ever, for any of the
7 digital assets that you have purchased, have you
8 ever sold, sold anything, like any good or
9 service from you in exchange for a token?
10 **A.** No, I have not.
11 **Q.** Did you buy the digital assets that
12 you mentioned in the hope that they would
13 increase in value?
14 **A.** I wouldn't say that would be the
15 only reason. It would be one of the reasons,
16 that eventually, yes, the value would increase if
17 the projects were successful.
18 **Q.** That was true for each of the tokens
19 that, or the digital assets that you have
20 purchased, that was one of your objectives?
21 **A.** One of the objectives, generally
22 speaking, yes.
23 **Q.** For any of the digital assets that
24 you have mentioned, was that the only objective?
25 **A.** No. It was never the only

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<p>1 objective. I mean, part of it is you become 2 close, you get closely associated with the 3 project and then you learn. I mean part of my 4 work is to be in the know and to be knowledgeable 5 and to be a bit ahead of others. 6 And part of it is you get closer to 7 the entrepreneurs and you start to understand 8 what is going on, and you support them. 9 So, if appreciation comes later then 10 I would say it is a good thing, but it is one of 11 the things. Because not all of them typically 12 appreciate. 13 Part of the investment portfolio is 14 to have a portfolio which means some of them will 15 do well, some of them will not do well. 16 So, I don't -- I never expect that, 17 all of them to appreciate. 18 Q. But your hope was that at least some 19 of them would appreciate; is that right? 20 A. I would say generally, I want to be 21 positive about things, yes. 22 Q. For the Block Stack digital asset, 23 did you think that -- who issued Block Stack? 24 A. You mean who did they work with? I 25 think CoinList. You mean who was the issuer? I</p> <p style="text-align: center;">33</p>	<p>1 Block Stack would matter to the value of their 2 token even after they issued the token? 3 A. To a degree. They have to be 4 adopted, so, it is just their efforts and the 5 efforts of others. Not just their efforts. 6 Q. And did you think that the quality 7 of Block Stack's management mattered to the 8 future value of the Block Stack Kin? 9 A. Yes, I did. 10 Q. Is that also true of File Coin and 11 Civic? 12 A. Yes. 13 Q. The management of those companies 14 was important to the future value of those 15 tokens? 16 A. That is correct. 17 Q. And, the future efforts of those 18 issuers of File Coin and Civic, those future 19 efforts were important to the value of those 20 tokens, correct? 21 A. Their efforts and the efforts of 22 others. Not just their efforts, I would say. 23 Q. Have you sold any of the tokens that 24 you have purchased? 25 A. Of the ones we have just named?</p> <p style="text-align: center;">35</p>
<p>1 think it went through CoinList. CoinList was 2 the, it is a service. Are you familiar with 3 CoinList? Anyways, it is a service, CoinList was 4 the -- 5 Q. Were they the inventors of the 6 token? 7 A. Block Stack was. 8 Q. Did you know the management of 9 Block Stack? 10 A. Yes, I did. 11 Q. Did you think that the efforts of 12 Block Stack would matter to the future value of 13 the Block Stack token? 14 A. Yes, but not only theirs, but theirs 15 and the ecosystem that they were kind of leading 16 to create. 17 Q. Why would the efforts of Block Stack 18 have mattered to the future value of the 19 Block Stack token? 20 A. Because they were developing the 21 core technology behind it. And other developers 22 would be adopting that technology and 23 incorporating it into their specific 24 applications. 25 Q. Did you think that the efforts of</p> <p style="text-align: center;">34</p>	<p>1 Q. Yes. 2 A. If I recall -- 3 Q. Do you need a break? 4 A. No, I should be okay. I've got a 5 bleeding. I don't know if it is too dry, it 6 should be okay. 7 I think I sold Civic. I have yes, I 8 sold Civic, I think, but not the others. 9 Q. Did you make a profit on Civic? 10 A. I think it was a small profit. It 11 wasn't -- yeah, a small profit, nothing 12 spectacular, yes. 13 Q. You are familiar with the Token 14 Summit? 15 A. Yes, I am the creator of the Token 16 Summit, yes, I am. 17 Q. You created it? 18 A. Yes, I have. 19 Q. And when did you create it? 20 A. I think I announced it at the end of 21 '16 and we had the first such event in May 22 of '17, in New York, at the NYU, at the 23 university. 24 Q. The event, it was -- the May 2017 25 event in New York, was that the first one?</p> <p style="text-align: center;">36</p>

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<p>1 A. It was the first one, yes.</p> <p>2 Q. Do you consider it the premier</p> <p>3 conference on the token economy?</p> <p>4 A. I think, at the time I thought it</p> <p>5 was. I mean it still has a very good</p> <p>6 representation. Since then others have come into</p> <p>7 the space and there are so many conferences now.</p> <p>8 But, I think we were the first. I</p> <p>9 was the first to foresee that phenomenon early</p> <p>10 on. One of the first I would say.</p> <p>11 Q. How often are you running Token</p> <p>12 Summits now?</p> <p>13 A. Now, we did two in '17. One in New</p> <p>14 York, one in San Francisco.</p> <p>15 Then later we did another one in New</p> <p>16 York in '18 and we did the fourth one in '19,</p> <p>17 this year in May. So far it is once a year.</p> <p>18 Q. Where, when was the San Francisco</p> <p>19 Token Summit in 2017?</p> <p>20 A. In December, first week of</p> <p>21 December, '17.</p> <p>22 Q. Why have you chosen New York City as</p> <p>23 a location for these summits?</p> <p>24 A. There was a, another event there</p> <p>25 called Consensus, and New York became a good</p> <p style="text-align: center;">37</p>	<p>1 group did the Blockchain Week. I'm not sure if</p> <p>2 it was in August. I wasn't directly involved.</p> <p>3 Q. Did you think New York was a better</p> <p>4 locale than Canada for the summit?</p> <p>5 A. Did I think that New York was a</p> <p>6 better?</p> <p>7 Q. Yes.</p> <p>8 A. Yes, because my mindset was more</p> <p>9 international.</p> <p>10 Q. How did you get involved with Kik?</p> <p>11 A. I knew Ted, the CEO from maybe</p> <p>12 2012/13. I knew him casually because I was part</p> <p>13 of the tech ecosystem of Toronto. Waterloo, it</p> <p>14 is kind of a corridor or it is a region.</p> <p>15 And. And that is kind of what</p> <p>16 started the relationship. But, I didn't know him</p> <p>17 very well back in '12 or '13. I would say I knew</p> <p>18 him casually.</p> <p>19 Q. Did you become a consultant to Kik?</p> <p>20 A. I became a consultant to Kik in,</p> <p>21 yes, I became it later, later on.</p> <p>22 Q. Can you explain how that happened?</p> <p>23 A. I think that the events that led to</p> <p>24 it probably started in '16. I think Fred Wilson</p> <p>25 and I, Fred Wilson is an investor and a board</p> <p style="text-align: center;">39</p>
<p>1 location for, like a good meeting location for a</p> <p>2 lot of blockchain activity.</p> <p>3 So, that became the, what is then</p> <p>4 called Blockchain Week.</p> <p>5 So, the Monday and Tuesday of that</p> <p>6 week thousands of people came to New York for the</p> <p>7 Consensus event.</p> <p>8 And I decided to organize the Token</p> <p>9 Summit on Thursday of that week because already a</p> <p>10 lot of people were already in New York and at the</p> <p>11 time in '17 there were only like two or three</p> <p>12 events, but we called it Blockchain Week and now</p> <p>13 it is an official thing. Blockchain Week, there</p> <p>14 are dozens that take place. Not uncommon to what</p> <p>15 other cities do in the world.</p> <p>16 Berlin has a Blockchain Week, San</p> <p>17 Francisco has a Blockchain Week. Places</p> <p>18 around -- we kind of pioneered that model and</p> <p>19 other cities followed that Blockchain Week.</p> <p>20 Maybe, typically there is one or two</p> <p>21 anchor events and many others organize events</p> <p>22 around Blockchain Week.</p> <p>23 Q. Is there anything similar in Canada?</p> <p>24 A. Yes, they did a Blockchain Week.</p> <p>25 Not me, I wasn't involved with it. Some other</p> <p style="text-align: center;">38</p>	<p>1 member of Kik. We started to discuss if there</p> <p>2 was applicability of the blockchain for Kik in</p> <p>3 '16 more or less. And I think I had lunch with</p> <p>4 Ted at, I can't remember if it was '16 or '17,</p> <p>5 one time.</p> <p>6 And he had been thinking about the</p> <p>7 blockchain and cryptocurrency for a while. And</p> <p>8 my expertise would be beneficial, I thought that</p> <p>9 my expertise would be beneficial to them and vice</p> <p>10 versa.</p> <p>11 So, one thing led to another, I</p> <p>12 think, and then they retained my services in,</p> <p>13 trying to think, it was in the middle of '17.</p> <p>14 Q. Did you enter into a formal contract</p> <p>15 with Kik for your consulting services?</p> <p>16 A. It was quite informal to, I don't</p> <p>17 remember if I signed an agreement, consulting</p> <p>18 agreement with them.</p> <p>19 We had agreed on a monthly, on a</p> <p>20 monthly compensation and the date of the starting</p> <p>21 point.</p> <p>22 Q. I can tell you that --</p> <p>23 A. It was in an e-mail, I think.</p> <p>24 Q. I can tell you that the SEC received</p> <p>25 a production of documents about this case from</p> <p style="text-align: center;">40</p>

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<p>1 you and we didn't see a formal agreement. So I'm 2 just wondering if you are aware? 3 A. No there was e-mails. 4 Q. Just to restate, I'm just wondering, 5 if you, Mr. Mougayar, are you aware of any 6 contract that you entered into with Kik in 2017 7 for your consulting services? 8 A. I wasn't aware, no. I think it was 9 done via an e-mail in an understanding of like an 10 e-mail. 11 Q. Okay. What did you do as a 12 consultant for Kik in 2017? 13 A. So, a variety of things. Obviously 14 my expertise is in the token economics aspects, 15 and in the role of tokens. And, how tokens can 16 create economies. How users can earn and spend 17 tokens, specifically. 18 The business models behind tokens. 19 And I had some relationships with 20 some companies in the space. 21 So, I introduced them to companies 22 and people in the space that could be helping 23 them. 24 I don't know if I need to be more 25 specific or if you want me to name ...</p> <p style="text-align: center;">41</p>	<p>1 THE WITNESS: Thank you. 2 BY MR. MENDEL: 3 Q. I have given you what has been 4 marked Deposition Exhibit 128. 5 A. Uh-huh. 6 Q. And this appears to be an e-mail 7 from you. It is an e-mail chain, I should say, 8 and the top e-mail is an e-mail from you, 9 Mr. Mougayar, to Peter Heinke on April 28, 2017. 10 Feel free to take a minute to look 11 throughout the e-mail chain to see what it is. 12 A. Sure. 13 Q. I actually want to, my only 14 questions are about the paragraph on the page, 15 the first page? 16 A. Yes. 17 Q. And do you recognize this e-mail? 18 A. Yes. 19 Q. And you write in the top e-mail, in 20 part, well your e-mail is to Mr. Heinke, but you 21 say, "By the way, I sent this to Ted yesterday 22 and he said I should share it with you." And 23 then a smiley face. And then you write, "Hi Ted, 24 I wanted to see if you have thoughts on how to 25 structure our arrangements for reference. I</p> <p style="text-align: center;">43</p>
<p>1 Q. No, that is okay. 2 A. I have already mentioned. 3 Q. My question was more general. 4 A. Okay. 5 Q. And do you have anything else to add 6 to that? Just generally, the scope of your 7 responsibilities? 8 A. I was available to them. I was very 9 available to them at any time. 10 They could call me or I was there 11 for them, basically. 12 Q. Do you have an account on Kik 13 Messenger? 14 A. Yes. 15 Q. Since when? 16 A. Probably '12, '13, or even '11. 17 2011 or so. 18 Q. Are you a user of it today? 19 A. Yes, I am. 20 Q. Would you say you use it frequently? 21 A. I use it regularly, but with a very 22 limited set of users. 23 Q. Thank you. 24 (Whereupon, Exhibit 128 25 was marked for identification.)</p> <p style="text-align: center;">42</p>	<p>1 received about 20,000 from Ethereum Foundation 2 three years ago at ICO prices and 200,000 from 3 Steemit last year for somewhat similar 4 arrangements. 5 "I suggest we peg to U.S. 60,000 6 worth of tokens at the lowest issued presale 7 price. 8 Okay to lock part of it for six 9 months or one year. But total vesting is two 10 years max. Thoughts?" 11 A. Uh-huh. 12 Q. "And I continue on going with you 13 and be part of advisory oversight board or team 14 for two years." 15 Did I read that correctly? 16 A. Yes. 17 Q. Okay. And was this your discussion 18 with Kik about your consulting arrangements? 19 A. This was in April. I think it would 20 lead, I mean we were negotiating, basically. I 21 was negotiating. 22 Q. This wasn't the file deal, this was 23 just -- 24 A. Negotiation. 25 Q. Your proposal?</p> <p style="text-align: center;">44</p>

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1 A. Yes, I was negotiating.
2 Q. Okay. And you were interested in
3 getting paid in whatever token Kik would issue.
4 Is that right?
5 A. I think this says it would be a
6 combination, I think. Did it not? I suggest we
7 peg it to 60K worth of tokens ---oh, yes, here it
8 is tokens, we didn't discuss dollars at the time.
9 Q. Okay.
10 A. That is correct. I didn't know how
11 it was going to develop, to unravel, let's put it
12 that way.
13 And I had suggested tokens at the
14 time.
15 Q. You are referring to other
16 consulting arrangements that you had in the
17 e-mail?
18 A. Yes.
19 Q. And one of them was with Ethereum
20 Foundation?
21 A. Yes.
22 Q. And you received \$20,000 worth of
23 Ethereum in 2014?
24 A. '14 or '15, yes, '14 I would say.
25 Yes. Correct.

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1 Q. Okay. Do you remember if that was
2 U.S. dollars or Canadian dollars?
3 A. Good question. U.S. dollars.
4 Q. What did you do with the Ether that
5 you received from that contract?
6 A. I think I ended up disposing of it
7 later on.
8 Q. Did you make a profit?
9 A. Not a lot. I sold them at low
10 prices.
11 Q. What about the 200,000 that you
12 received in tokens from Steemit? What did you do
13 with those tokens?
14 A. Over the years I disposed of them as
15 well.
16 Q. Okay. I will take that one back.
17 A. Thank you.
18 (Whereupon, Exhibit 129
19 was marked for identification.)
20 BY MR. MENDEL:
21 Q. I have given you, Mr. Mougayar, what
22 has been marked as Deposition Exhibit 129.
23 A. Yes.
24 Q. This is another e-mail chain. This
25 one is dated at the top June 28, 2017.

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1 A. Uh-huh.
2 Q. Do you recognize this e-mail chain?
3 A. Yes.
4 Q. I just want to refer you to, it is
5 Page 4 of the exhibit. If you look in the lower
6 right-hand corner, there are these small numbers
7 that us lawyers refer to as Bates numbers. Do
8 you see those, and it says MMLWM and then there
9 is a long string of numbers?
10 A. Here?
11 Q. Yes. Exactly. And so can you turn
12 to the page that has five, ends in 558?
13 A. Yes.
14 Q. Are you there?
15 A. Yes.
16 Q. Okay. And if you look all of the
17 way to the top of the page, it is actually an
18 e-mail from June 23, 2017.
19 A. Yes.
20 Q. Do you see that?
21 A. Yes.
22 Q. Okay. And you write, "I would like
23 to close the loop on our agreement terms, too.
24 Given that your round is much higher, I would
25 like to propose a higher figure than the original

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1 75,000."
2 A. Uh-huh.
3 Q. Did your fee proposal increase from
4 the 60,000 that you saw in the prior e-mail?
5 A. It seems to be that way. I mean I
6 was negotiating still.
7 Q. Okay. And, do you know what you
8 meant by your round is much higher? What were
9 you referring to there?
10 A. Well, I didn't know at the time,
11 maybe I think it wasn't clear how much they were,
12 wanted to raise. Whether it was 50 million, I
13 kind of vaguely recall maybe the figure was lower
14 than 100 and it is, I think, later it was
15 hovering towards the 100. So, it was higher than
16 I originally thought.
17 So, probably that is what led to it,
18 to me saying that.
19 Q. You also write, "Also, I would like
20 to personally participate in your presale for
21 \$100,000, if you can squeeze me in."
22 A. Yes.
23 Q. This is, this reflects your interest
24 in investing in Kin?
25 A. Yes.

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1 Q. And is this the first time that you
2 raised the possibility of such an investment with
3 Kik?
4 A. I think so. Let me see the date.
5 Yes, I think so, yes.
6 Q. Okay. And, this is in June, late
7 June, 2017, right? This is a month after the
8 public announcement of Kin. Does that sound
9 right to you?
10 A. More or less, yes.
11 Q. Because the public announcement was
12 at your token summit in late May of 2017?
13 A. Maybe middle May of '17 or something
14 like that, pretty close.
15 Q. My question is why did you wait
16 until late June to raise the possibility of you
17 investing in Kin?
18 A. I don't remember. I mean there was
19 no particular reason. It is not something I
20 planned. I didn't think I am going to wait a
21 month.
22 I think, I don't know, I mean the
23 terms were not maybe, there is nothing to read
24 into it. It just happened, maybe I felt it was
25 ready at the time, I don't remember.

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1 Q. Okay. Fair enough.
2 A. Nothing really.
3 (Whereupon, Exhibit 130
4 was marked for identification.)
5 BY MR. MENDEL:
6 Q. I provided you what has been marked
7 as Deposition Exhibit 130.
8 A. Yes.
9 Q. This is an e-mail chain?
10 Again, and the e-mail date at the
11 top of the first page is July 7th, 2017.
12 A. Yes.
13 Q. And, you state here again -- strike
14 that.
15 You say in your July 7th, 2017,
16 e-mail to Peter Heinke, "Any chance you can give
17 me an update on the advisor agreement terms you
18 are thinking about? Ted told me that is with
19 you."
20 A. Yes.
21 Q. So, this is still the issue of your
22 agreement to act as a consultant with Kik, right?
23 A. Yes.
24 Q. And as of July 7, 2017 it hadn't
25 been formalized, correct?

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1 A. Yes, I would say that is fair.
2 Q. Okay. In fact you hadn't come to
3 terms yet on your agreement?
4 A. Yes, that would be more accurate to
5 say that, yes.
6 Q. Okay. That is all I have for that
7 one.
8 A. Yes.
9 (Whereupon, Exhibit 131
10 was marked for identification.)
11 BY MR. MENDEL:
12 Q. And I have given you what has been
13 marked as Deposition Exhibit 131.
14 A. Okay.
15 Q. And this is a, it looks to be a text
16 exchange between you and Mr. Heinke. Is that
17 right?
18 A. Yes.
19 Q. And he writes the date, this date
20 seems to be July 21st.
21 A. What year is this, do you know?
22 Q. I don't know. I was going to ask
23 you that.
24 Did you -- well, the --
25 A. I think it is a --

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1 Q. Go ahead. What is your --
2 A. I want to say it is '17.
3 Q. Okay. What makes you say that?
4 A. My wire is sent, is that from me.
5 Is this just Peter? Or was it me, or --
6 Q. I need to ask your help for this.
7 Because all I have is this one page.
8 And so what I see at the top is
9 "Also we will owe you about 15 to 20 thousand."
10 That seems to be Mr. Heinke writing, correct?
11 A. It says Peter H. So, I would -- I
12 don't remember.
13 Q. I mean you don't remember owing
14 anybody 15 to 20 thousand, do you?
15 A. Well, no, this may not be me. I'm
16 sorry, I jumped to a conclusion here.
17 I thought you were showing me a
18 conversation with Peter. But, I--
19 Q. I believe you produced this
20 document.
21 A. Let me think. I believe we started
22 early April which is when I came to see. Yes,
23 that sounds to me.
24 Q. Okay.
25 A. "But I prefer to keep them in your

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<p>1 bank as tokens if that is possible." 2 I mean, I don't remember this. But, 3 okay. 4 Q. Okay. Just to clarify for the 5 record, so, is it your understanding that this is 6 a text exchange between you and Mr. Heinke around 7 July 21st, 2017? 8 A. Yes, it sounds correct. 9 Q. Okay. And, are you writing then 10 that Kik owes you for about four months of 11 consulting work? 12 A. I think that was the reference. So, 13 they were saying, I mean, this would be, that was 14 the assumption that if we had, if we had started 15 the clock on April, yes, that is what it assumed. 16 Q. You are come to an agreement in July 17 that you would count your effort from April? 18 A. Yes, it is normal. 19 Q. Okay? 20 A. It was like applying some 21 retroactivity to it, I would say. 22 Q. It was a retroactive agreement? 23 A. It seemed that way, I mean that was 24 part of the negotiations, yes. 25 Q. Very well.</p> <p style="text-align: center;">53</p>	<p>1 point, unless Ted changes his mind, it will have 2 to be in the form of the old-fashioned monetary 3 exchange method called a check or a wire transfer 4 but unfortunately not in Kin." Right? 5 A. Yes. 6 Q. He wrote that. And in response to 7 your earlier inquiry whether you could be paid in 8 tokens? 9 A. Correct. 10 Q. Okay. And you responded on 11 August 10th, it is on the first page. It is on 12 the top e-mail. 13 A. Yes. 14 Q. It is the most recent e-mail first. 15 A. Yes. 16 Q. And, you write in part, "Re: Cash v 17 Kin, is that a board decision or Ted has leeway 18 in deciding?" You are following up -- 19 A. I am still negotiating somehow, yes. 20 Q. Why were you still interested in 21 receiving Kin rather than cash? 22 A. I don't -- I think -- I can't 23 remember. I mean, I thought it would be easier 24 on them. I -- 25 Q. Because you had asked several times</p> <p style="text-align: center;">55</p>
<p>1 A. That's correct. 2 (Whereupon, Exhibit 132 3 was marked for identification.) 4 BY MR. MENDEL: 5 Q. And so now I have given you what has 6 been marked as Deposition Exhibit 132. And this 7 is an e-mail chain between you and Mr. Heinke. 8 And the first one at the top of the first page is 9 dated August 10th, 2017. Correct? 10 A. Yes. 11 Q. Do you recognize this document? 12 A. Yes, I do. 13 Q. Okay. And, if you look down the 14 first page, it says on August 10th, 2017, Peter 15 Heinke wrote and I'm skipping down, "Starting in 16 April is fine on the fees. Are you going to send 17 us an invoice for the advisory fees?" 18 A. Yes. 19 Q. And that is again referring to your 20 consulting agreement. Correct? 21 A. Yes. 22 Q. And it is Mr. Heinke stating that 23 they agreed to pay you from starting in April? 24 A. Yes. 25 Q. And then he also writes, "At this</p> <p style="text-align: center;">54</p>	<p>1 and they kept saying no, we would have to pay you 2 cash. 3 A. This is how some of the other 4 arrangements that I had with other companies. 5 Q. Does that reflect a preference by 6 you for Kin? 7 A. Not really. I mean, it was, I 8 wasn't really, no, it wasn't -- I was just 9 negotiating, I think. 10 Either one would have been fine. 11 Again, it was based on some of my previous 12 arrangements, and I thought that they wanted to 13 preserve cash or they didn't want -- every 14 company is different, so. 15 At the end of the day it is whatever 16 they decide, not what I want, so ... 17 Q. Okay. You can put that one down. 18 When did your, how long did your 19 consulting arrangement with Kik last? 20 A. I think it lasted at least a year if 21 not more. And if I recall, we converted it to a, 22 to my position in the, on the Kin Foundation 23 Board. 24 So, maybe I'm going ahead here. It 25 is kind of related, so I might as well tell you.</p> <p style="text-align: center;">56</p>

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1 So, did you ask when did it
2 terminate, or what was the question again?
3 Q. I was essentially asking how long
4 did your arrangement go for? Yes.
5 A. It went on, maybe I think more than
6 a year, maybe a year and a few months.
7 Again, until it converted to a, when
8 they made it official that I was a board member
9 of the Kin Foundation.
10 Q. Okay. And, was there a set monthly
11 amount that you were getting?
12 A. Yes. Yes. It was. I can't
13 remember if it was 5 or 10 thousand dollars. In
14 that neighborhood.
15 Q. Could you just speak a little
16 louder? Can you say how much money it was?
17 A. I'm sorry, it was about 5 or 10
18 thousand dollars, I think that maybe.
19 Q. A month?
20 A. Yes, it may have been 10,000 at some
21 point. And then five later. I can't remember
22 exactly. But that is kind of the, what I
23 remember, yes.
24 Probably 5,000 is my recollection,
25 if I'm not mistaken.

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1 Q. If you go back to the text exchange,
2 and we are looking at Deposition Exhibit 131.
3 A. Yes.
4 Q. Mr. Heinke wrote, "We will owe you
5 about 15 to 20 thousand."
6 A. Yes.
7 Q. Does that reflect 5,000 a month?
8 A. Correct, so, April, May, June, that
9 is correct.
10 Q. Very good. Thank you. And do you
11 think you continued to get paid 5,000 a month
12 through a year and a few months into 2018; is
13 that right?
14 A. I think so, I think so, that was --
15 yes, that is correct.
16 Q. From April of 2017 through the token
17 distribution event, when, do you recall when that
18 was?
19 A. I think September.
20 Q. September 2017?
21 A. Yes.
22 Q. Okay. From, during those months,
23 so, from April through September 2017, how much
24 of your time did you spend on Kik-related
25 matters?

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1 A. Like in terms of hours or days,
2 or -- I mean -- how much of a percentage of my
3 time.
4 Q. Yes, a percentage of your time.
5 A. I can give you a percentage. I had
6 other activities. So, maybe just guessing here,
7 maybe 5 to 10 percent would be fair.
8 Q. Okay. Okay. 5 to 10 percent of
9 your business time?
10 A. Yes. More or less, yes.
11 Q. Did you keep an office at Kik?
12 A. Never.
13 Q. Did you make decisions on Kik's
14 behalf?
15 A. No, I have not.
16 Q. Did you seek Kik's approval of your
17 actions?
18 A. What actions? What do you mean by
19 that?
20 Q. If you were to start a certain
21 activity, per your consulting arrangement, would
22 you ask Kik whether you should do it first?
23 A. It is not fair to say that, because
24 I was not acting on behalf of Kik in any
25 capacity.

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1 So, I, that question, I mean I'm
2 sorry it is not relevant to me because I was not
3 acting on their behalf. I was consulting to them.
4 Q. Was there a certain job at Kik for
5 which you had primary responsibility?
6 A. A job, no.
7 Q. Did you ever think you were
8 performing the responsibilities of a Kik
9 employee?
10 A. No.
11 Q. Did you tell other people during
12 this time period, again I'm referring to the
13 April to September 2017 period, did you ever tell
14 other people that you were working for Kik?
15 A. I don't recall that I did. I don't
16 recall that I did. No.
17 Q. Okay.
18 A. I wasn't bragging about it if that
19 is what you are implying, no.
20 Q. No. I was just saying factually. I
21 wasn't trying to impute a certain puffery to it
22 or anything.
23 I was just asking you whether you
24 factually, whether you ever told people that you
25 were working for Kik.

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<p>1 A. I may have mentioned that I may be 2 advising them. Or, I mean the terms were not 3 final. So, I was still not definite, you know, 4 because as you can, as you saw, I mean we are 5 still back and forth. 6 So, I may have mentioned it to 7 somebody. But, nothing, like I wasn't 8 broadcasting it, I would say. So it was -- no, I 9 didn't, I wasn't very overt in saying that. 10 Q. Did you tell other people that you 11 could make decisions for Kik? 12 A. No. I never did. 13 Q. Did you seek legal advice from Kik's 14 lawyers to guide your work for Kik? 15 MR. CADIGAN: Objection. You can 16 answer. 17 THE WITNESS: You said something. 18 MR. CADIGAN: You can answer. 19 MR. CRIMMINS: He has to sustain an 20 objection for the record to preserve it for 21 trial. 22 MR. CADIGAN: You can answer the 23 question. 24 MR. CRIMMINS: Sometimes he will 25 state an objection and it will be privilege</p> <p style="text-align: center;">61</p>	<p>1 BY MR. MENDEL: 2 Q. You are not still consulting for Kik 3 today, correct? 4 A. I'm on the board of the Kin 5 Foundation. So I'm not consulting for them. 6 But, my duties are to advise them. 7 If you want to equate advising to 8 consulting, then it is part of my duties. 9 Q. As a board foundation member, part 10 of your responsibility then is advising the 11 company Kik Interactive? 12 A. Correct. No, sorry, now -- let me 13 rephrase. 14 My, the scope of my activities are 15 for the Foundation, not Kik. So, I should, 16 everything I said is really about the, my 17 involvement is with the Kin, like recently now 18 there is Kin Foundation, yes, correct. 19 Currently. 20 Q. What about -- okay. But, previously 21 you stated that your consulting arrangement with 22 Kik Interactive, the company, went a year and a 23 few months. Correct? Is that not right? 24 A. Yes. Yes, that is correct. 25 Q. That is correct.</p> <p style="text-align: center;">63</p>
<p>1 and we will have to instruct you not to 2 answer, but other times we will just state an 3 objection for technical reasons and you can 4 still answer. This is one of those times you 5 can still answer. Would you like the 6 question repeated? 7 THE WITNESS: Would you like to 8 restate the question, please? 9 BY MR. MENDEL: 10 Q. I will. 11 Did you, Mr. Mougayar, seek legal 12 advice from Kik's lawyers to guide your work for 13 Kik between April 2017 and September 2017? 14 MR. CADIGAN: Objection. 15 MR. CRIMMINS: Do you understand it? 16 THE WITNESS: I mean, what kind of 17 legal advice? What did I -- what did you 18 mean by that? 19 MR. CRIMMINS: The question is to 20 guide your work. 21 THE WITNESS: To guide my work. 22 MR. CRIMMINS: To guide your work, 23 did you go to Kik's lawyers and ask for 24 guidance? 25 THE WITNESS: No, I have not, no.</p> <p style="text-align: center;">62</p>	<p>1 A. Yes. 2 Q. And then so are you saying basically 3 in May or June of 2018 your consulting 4 arrangement with Kik ended. Is that what you are 5 saying? 6 A. I'm trying to think. I would say 7 roughly, yes, yes. 8 But, a lot of, just to be clear, I 9 don't know what you are implying here. 10 There was a lot of act -- I mean, my 11 involvement was related to the Kin Foundation, to 12 the, to matters relating to the ecosystem, to the 13 Kin cryptocurrency. 14 It is really very much Kin-related 15 not so much Kik. 16 Q. Okay. Those were your 17 responsibilities? 18 A. Yes. Yes. 19 Q. Okay. While even, so, that, those 20 responsibilities began before May/June 2018? 21 A. There was an expectation to have a 22 Kin Foundation from the beginning. So, my, the 23 scope of my work was related to Kin as a 24 currency, as a cryptocurrency. 25 And the eventual, and the evolution</p> <p style="text-align: center;">64</p>

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<p>1 of the Foundation.</p> <p>2 Q. Did you introduce -- let me go back</p> <p>3 to the period before the announcement of Kin, so</p> <p>4 I'm talking about the April time period.</p> <p>5 A. Okay.</p> <p>6 Q. In the months leading up to the</p> <p>7 announcement, did you introduce Kik to investment</p> <p>8 banks?</p> <p>9 A. I introduced Kik to, I don't know</p> <p>10 that it is accurate to call them investment</p> <p>11 banks.</p> <p>12 They were service providers. One of</p> <p>13 them was Argon Group. There was another one, I</p> <p>14 forgot the name. It was the principal, one of</p> <p>15 the principals from Argon that had left and did</p> <p>16 his own thing.</p> <p>17 So, I introduced them to a couple.</p> <p>18 I don't know the timing, though.</p> <p>19 It may have been after May. So,</p> <p>20 between April and May, I don't -- I think that</p> <p>21 happened after May, though. I can't remember</p> <p>22 exactly. But, I'm pretty sure it was after May.</p> <p>23 MR. CRIMMINS: 2017?</p> <p>24 THE WITNESS: '17, yes. We can go</p> <p>25 through the record. I mean it would be the</p> <p style="text-align: center;">65</p>	<p>1 equivalent of investment banks but in the</p> <p>2 cryptocurrency space.</p> <p>3 They are a service provider, I mean</p> <p>4 I think we call them, they are one of the service</p> <p>5 providers.</p> <p>6 Q. When you say they are the equivalent</p> <p>7 of an investment bank. Why do you say that?</p> <p>8 A. Maybe, I mean, I think that is how</p> <p>9 they portrayed themselves. So, I don't take it</p> <p>10 as something that I, it is not a label that I</p> <p>11 should -- I mean, that is my understanding, that</p> <p>12 is how they viewed themselves, I think.</p> <p>13 Q. And, did you make the introduction?</p> <p>14 A. I think I have, yes. According to</p> <p>15 this e-mail. It looks like, it seems like I</p> <p>16 have, yes, I have.</p> <p>17 Q. Okay. And then you see the document</p> <p>18 attached to the e-mail, right? It starts on page</p> <p>19 number ending in 147?</p> <p>20 A. Yes.</p> <p>21 Q. Again looking at the small ones on</p> <p>22 the lower right side.</p> <p>23 A. Yes.</p> <p>24 Q. Okay. Was this a document prepared</p> <p>25 by Argon sent to Kik?</p> <p style="text-align: center;">67</p>
<p>1 Argon e-mails. I, I think it was after May,</p> <p>2 but I'm not sure.</p> <p>3 BY MR. MENDEL:</p> <p>4 Q. I'm going to give you one.</p> <p>5 A. You probably have it, yes.</p> <p>6 Oh, yes, it was before, I guess,</p> <p>7 yes, Stan. Argon Group, yes. Yes, it was</p> <p>8 before. Correct.</p> <p>9 (Whereupon, Exhibit 133</p> <p>10 was marked for identification.)</p> <p>11 BY MR. MENDEL:</p> <p>12 Q. Okay, so, Mr. Mougayar, just for the</p> <p>13 record, I have given you what has been marked as</p> <p>14 Deposition Exhibit 133 and this is an e-mail from</p> <p>15 somebody named Stan Miroshnik, M-I-R-O-S-H-N-I-K.</p> <p>16 A. Yes.</p> <p>17 Q. Dated April 14th, 2017.</p> <p>18 A. Yes.</p> <p>19 Q. To Peter Heinke. And you are on the</p> <p>20 cc: line. Right?</p> <p>21 A. Yes.</p> <p>22 Q. Okay. And, so, this is</p> <p>23 Mr. Miroshnik e-mailing about potential, would</p> <p>24 you call them investment bank services?</p> <p>25 A. Well, they, I mean they provide the</p> <p style="text-align: center;">66</p>	<p>1 A. Yes.</p> <p>2 Q. You didn't prepare it, right?</p> <p>3 A. No.</p> <p>4 Q. Okay. And just for the record this</p> <p>5 is an attachment to the e-mail and the last page</p> <p>6 number ends in 162, right?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. Good, can you go to Page 150.</p> <p>9 A. Uh-huh.</p> <p>10 Q. Let me know when you are there.</p> <p>11 A. One second. 150, yes, I am there.</p> <p>12 Q. Okay. And there is a, at the very</p> <p>13 top there is the Argon Group insignia to the</p> <p>14 left. And then it says, "A brand new capital</p> <p>15 market. Recent ICOs volume is growing rapidly.</p> <p>16 The regulators will notice."</p> <p>17 Did you agree that ICOs were a brand</p> <p>18 new capital market?</p> <p>19 A. Did I agree that ICOs were a brand</p> <p>20 new market.</p> <p>21 Q. A brand new capital market. Did you</p> <p>22 agree with that?</p> <p>23 MR. CRIMMINS: Do you understand the</p> <p>24 term?</p> <p>25 THE WITNESS: Can you elaborate</p> <p style="text-align: center;">68</p>

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<p>1 maybe?</p> <p>2 BY MR. MENDEL:</p> <p>3 Q. Well, I'm really just going with</p> <p>4 what is in the document and Argon in their</p> <p>5 brochure says, "A brand new capital market."</p> <p>6 And then it has got some charts</p> <p>7 below that.</p> <p>8 One caption is "Major ICOs in 2016."</p> <p>9 But the header says a brand new capital market.</p> <p>10 What do you understand the capital</p> <p>11 market to be? Aside from this document?</p> <p>12 MR. CRIMMINS: Yes, you mean as</p> <p>13 Argon as using it or as he understands it.</p> <p>14 BY MR. MENDEL:</p> <p>15 Q. Well, as Mr. Mougayar understands</p> <p>16 it.</p> <p>17 So, aside from the document, what do</p> <p>18 you understand the capital market to be?</p> <p>19 MR. CRIMMINS: If you have an</p> <p>20 understanding.</p> <p>21 THE WITNESS: My understanding is</p> <p>22 that there is economic, economic value that</p> <p>23 could be derived from the activity underlying</p> <p>24 the market.</p> <p>25 So, they wrote this, I didn't. So</p> <p style="text-align: center;">69</p>	<p>1 referenced, 2016?</p> <p>2 THE WITNESS: Not offhand. I mean,</p> <p>3 it seems to be kind of in the ballpark I</p> <p>4 would say.</p> <p>5 BY MR. MENDEL:</p> <p>6 Q. I will take that. That is fine.</p> <p>7 A. It was numbers, it was in the</p> <p>8 ballpark.</p> <p>9 Q. Can you turn to Page 151?</p> <p>10 A. Okay.</p> <p>11 Q. And, at the top it says ICO Market</p> <p>12 Update.</p> <p>13 A. Okay.</p> <p>14 Q. And on the left column there is a</p> <p>15 bullet, the third bullet down, it states,</p> <p>16 "Expectation for a strong growth of ICO market in</p> <p>17 2017, e.g., William Mougayar at EDCON."</p> <p>18 A. Yes.</p> <p>19 Q. Right. First, what is EDCON?</p> <p>20 A. EDCON. It is a conference, an</p> <p>21 Ethereum, Ethereum education. So, the ED stands</p> <p>22 for education, conference.</p> <p>23 Q. Okay. And are these subbullets</p> <p>24 starting with "80 percent of ICO on Ethereum,"</p> <p>25 are these numbers that you came up with as part</p> <p style="text-align: center;">71</p>
<p>1 I'm not sure where, what you are implying,</p> <p>2 did I understand it, do I believe it was a</p> <p>3 brand new capital market.</p> <p>4 Yes, I believe cryptocurrencies,</p> <p>5 there is a lot of novelty around</p> <p>6 cryptocurrencies.</p> <p>7 So, I agree with that</p> <p>8 characterization. I would agree with it. I</p> <p>9 mean there is nothing wrong with agreeing</p> <p>10 with that one, yes.</p> <p>11 BY MR. MENDEL:</p> <p>12 Q. And, do the charts below, where it</p> <p>13 says Major ICOs in 2016, do those look roughly</p> <p>14 accurate to you?</p> <p>15 MR. CADIGAN: Objection.</p> <p>16 BY MR. MENDEL:</p> <p>17 Q. To the extent that you know. Yes,</p> <p>18 that is a bad question. Let me say it again.</p> <p>19 Do the charts listed on Page 150 of</p> <p>20 this exhibit, underneath the caption Major ICOs</p> <p>21 in 2016, do you have any reason to doubt their</p> <p>22 accuracy?</p> <p>23 MR. CADIGAN: Objection.</p> <p>24 MR. CRIMMINS: Join. Do you know</p> <p>25 the number of ICOs during the period</p> <p style="text-align: center;">70</p>	<p>1 of your EDCON?</p> <p>2 A. Yes. That was in February of '17 in</p> <p>3 Paris. I made a presentation. It was the early</p> <p>4 days of the ICO, yes. I made some, I made some</p> <p>5 predictions. Correct.</p> <p>6 Q. So, would you agree with the bullet,</p> <p>7 "Expectation for a strong growth of ICO market in</p> <p>8 2017."</p> <p>9 Did you believe that at the time?</p> <p>10 A. That's correct, yes.</p> <p>11 Q. Can you turn to Page 154?</p> <p>12 A. I didn't know, by the way, they had</p> <p>13 used my notes in this presentation.</p> <p>14 When I saw it, it was the first</p> <p>15 time. So, I'm not the one that told them to put</p> <p>16 this bullet.</p> <p>17 Q. When you saw it for the first time</p> <p>18 right now in this deposition?</p> <p>19 A. No, no. When I saw their proposal,</p> <p>20 and I saw they had used my references, my bullets</p> <p>21 in this proposal, it was the first time I had</p> <p>22 seen it.</p> <p>23 So, I'm not the one that told Argon</p> <p>24 to put my bullets in the Kik proposal.</p> <p>25 Q. Understood. But you agree with what</p> <p style="text-align: center;">72</p>

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1 the bullet says?
2 **A.** It was my bullets, yes, so I agreed
3 with the bullets.
4 **Q.** Okay.
5 **A.** The context in which they are used
6 is another story. I mean, but it is my bullets.
7 People can, people always, can misquote me or
8 misuse numbers.
9 So, all I'm saying is that these are
10 my bullets. How they use them is up to them not
11 up to me.
12 **Q.** When you received this on, in April
13 of 2017, did you read it?
14 **A.** Yes.
15 **Q.** You read the Argon brochure,
16 correct?
17 **A.** Yes.
18 **Q.** Okay. Let's go to Page 154. It
19 says ICO Offering Structure. Do you see that?
20 **A.** Uh-huh.
21 **Q.** And then there is two columns. One
22 that says Feature and the other that says
23 Description.
24 And if you look down there is -- are
25 you with me?

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1 **A.** Yes.
2 **Q.** Okay. And, the fourth feature says
3 Discount For Early Participation.
4 Do you see that?
5 **A.** Uh-huh.
6 **Q.** Was this a common feature of ICOs
7 offering structures in 2017?
8 **A.** I would say it varied. There were
9 no common features I would say. It varied all
10 over the map.
11 **Q.** And can we go back to Page 150? We
12 were on it previously.
13 **A.** Yes.
14 **Q.** Where it says the regulators will
15 notice.
16 **A.** Uh-huh.
17 **Q.** Did you agree with that statement?
18 **MR. CADIGAN:** Objection.
19 **MR. CRIMMINS:** Join. Do you know
20 what it means?
21 **THE WITNESS:** The regulators will
22 notice. What does it mean.
23 **MR. CRIMMINS:** Were those your words
24 or Argon's words? And if they are Argon's
25 words, do you --

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1 **THE WITNESS:** They are Argon's
2 words.
3 **BY MR. MENDEL:**
4 **Q.** Understanding that they are Argon's
5 words and this was a document that was prepared
6 by them and you received and read, when you read
7 it did you agree with them the regulators will
8 notice?
9 **MR. CRIMMINS:** Objection, did you
10 understand it? And if you understood it,
11 then did you agree.
12 **THE WITNESS:** I didn't really
13 understand it, to be honest. It is a very
14 vague statement. It could be taken
15 positively, it could be taken negatively, it
16 could be taken truthfully.
17 So, my agreement or disagreement
18 with it, I don't think is here or there. I
19 would have to write the dissertation to
20 answer your question accurately to be honest.
21 Because it is a very vague statement
22 will notice, notice.
23 **BY MR. MENDEL:**
24 **Q.** We will move on.
25 **A.** So, that is it.

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1 (Whereupon, Exhibit 134
2 was marked for identification.)
3 **BY MR. MENDEL:**
4 **Q.** 134?
5 **A.** Yes.
6 **Q.** So, I have given you Deposition
7 Exhibit 134. And this is another e-mail from
8 Stan Miroshnik.
9 **A.** Yes.
10 **Q.** And this one is dated April 21st,
11 2017, to Peter Heinke and on the cc: line are Ted
12 Livingston, he is the CEO of Kik, correct?
13 **A.** Yes.
14 **Q.** And you, William Mougayar.
15 **A.** Yes.
16 **Q.** So, take a minute and refresh your
17 memory about this one.
18 **A.** Sure, yes. Yes.
19 **Q.** And this is an e-mail from
20 Mr. Miroshnik following up on earlier contact
21 with Kik, correct?
22 **A.** Yes.
23 **Q.** Why are you copied on this e-mail?
24 **A.** I believe because I made the
25 introduction.

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<p>1 Q. And then, going down to the second 2 paragraph after the introductory word Peter, it 3 says it makes a reference to, well first he says, 4 "We are a full service investment bank." 5 A. Yes. 6 Q. "And would deliver a fully staffed 7 team to run the process with myself at the helm, 8 timeline, weekly calls, communication with 9 stakeholders, investors, external advisors, 10 regulators if needed, marketing, tech team, 11 audit, et cetera. 12 "This is basically IPO level 13 workload." 14 A. Yes. 15 Q. So, this is Mr. Miroshnik stating 16 that he is providing the services of an 17 investment bank. Correct? 18 A. Yes. 19 Q. And, do you know what he, do you 20 understand what he meant by IPO? 21 A. Yes. 22 Q. What is that? 23 A. Like the public market initial. 24 Q. Initial public offering? 25 A. Public offering in the public</p> <p style="text-align: center;">77</p>	<p>1 if he could just answer the question. 2 MR. CRIMMINS: No, because -- 3 MR. MENDEL: I appreciate you are 4 not testifying for the witness. 5 MR. CRIMMINS: Well, I have to state 6 an objection. 7 MR. MENDEL: The just state your 8 objection, please. 9 MR. CRIMMINS: My problem is you are 10 asking something and you haven't established 11 a foundation that you cannot establish. 12 He knows what an IPO is. He has no 13 clue, I would hazard to guess, what it takes 14 to do an IPO. I don't think he has ever done 15 one. He has never worked in public finance. 16 MR. MENDEL: Then, he can say he 17 doesn't know. 18 MR. CRIMMINS: You are asking him to 19 do an assumption based on the fact that he 20 has, and he hasn't. And if you want to probe 21 it, go ahead. 22 THE WITNESS: To the extent ... 23 MR. CADIGAN: Objection. You may 24 answer. 25 THE WITNESS: I'm not an expert in</p> <p style="text-align: center;">79</p>
<p>1 markets, yes. 2 Q. Okay. And then do you know what he 3 meant by this is basically IPO level workload? 4 MR. CADIGAN: Objection. 5 THE WITNESS: That is his words not 6 mine. 7 BY MR. MENDEL: 8 Q. Understood. But, did you understand 9 what he meant by it? 10 A. At the high levels. They are 11 selling themselves. 12 So, you take that with a grain of 13 salt, if that is what you want to say. 14 They are selling it, their services, 15 so they can say whatever they would like. 16 Q. Did you, do you agree that the 17 workload that they are describing for issuing Kin 18 would be would be similar to the workload for an 19 IPO? 20 MR. CRIMMINS: Do you have an 21 understanding of what an IPO workload is. I 22 object. 23 MR. MENDEL: We have established, we 24 have established, I asked him whether he 25 understands an IPO, so I would appreciate it</p> <p style="text-align: center;">78</p>	<p>1 IPOs, so, if that -- 2 MR. CRIMMINS: Why don't you lay it 3 out for counsel what you know and what you 4 don't know. 5 THE WITNESS: Yes, I mean I know the 6 high levels of process. But, I'm not an 7 expert in IPOs. 8 So, it is not my, I mean this memo 9 is from, between Argon Group and Kik. I was 10 not part of that decision or any discussion 11 following their proposals. 12 So, it is between them, the two of 13 them. I only made the introduction and that 14 is it, basically. There is nothing to read 15 into this. Yes, so, again I'm not an expert 16 in the IPO process. 17 BY MR. MENDEL: 18 Q. If you go down to Number 9, it says, 19 "Run the book building process with early and 20 anchor investors, presale, 'retail' and other 21 participants in a way that delivers 22 oversubscription tension in the book and positive 23 aftermarket performance." 24 A. Correct. 25 Q. Do you understand what Mr. Miroshnik</p> <p style="text-align: center;">80</p>

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<p>1 was saying here?</p> <p>2 A. At the high levels. What they are</p> <p>3 saying is that they will provide, they will find</p> <p>4 the buyers, that is what it says. That is my</p> <p>5 understanding.</p> <p>6 Q. Do you know what he means when he</p> <p>7 says delivers oversubscription?</p> <p>8 A. It means that there are more people</p> <p>9 that are interested in it than there is space for</p> <p>10 it. That is my understanding.</p> <p>11 Q. Okay.</p> <p>12 A. I don't understand all of it. I</p> <p>13 don't understand what tension in the book means.</p> <p>14 Q. What about positive aftermarket</p> <p>15 performance?</p> <p>16 A. I think it is a vague statement, so</p> <p>17 I don't fully understand it either.</p> <p>18 Q. Does that refer to the price of the</p> <p>19 token going up in value?</p> <p>20 MR. CRIMMINS: Objection.</p> <p>21 BY MR. MENDEL:</p> <p>22 Q. Is that how you understand it?</p> <p>23 A. Potentially. But there are many</p> <p>24 factors that I don't know exactly. It is</p> <p>25 possible, but there are many factors involved, so</p> <p style="text-align: center;">81</p>	<p>1 THE VIDEOGRAPHER: We are going off</p> <p>2 the record. This is the end of Media Unit</p> <p>3 Number 1. The time is 11:38 a.m.</p> <p>4 (Recess taken -- 11:38 a.m.)</p> <p>5 (After recess -- 11:53 a.m.)</p> <p>6 THE VIDEOGRAPHER: We are back on</p> <p>7 the record. This is the beginning of Media</p> <p>8 Unit Number 2. The time is 11:53 a.m.</p> <p>9 BY MR. MENDEL:</p> <p>10 Q. Mr. Mougayar, we just had a break.</p> <p>11 And you consulted with your --</p> <p>12 THE VIDEOGRAPHER: Please stand by.</p> <p>13 Sorry, let's do that again, I had the mics</p> <p>14 turned down.</p> <p>15 MR. MENDEL: Okay.</p> <p>16 THE VIDEOGRAPHER: We are back on</p> <p>17 the record. This is the beginning of Media</p> <p>18 Unit Number 2. The time is 11:54 a.m.</p> <p>19 BY MR. MENDEL:</p> <p>20 Q. Mr. Mougayar, we just had a break,</p> <p>21 right? And you met separately with your</p> <p>22 attorneys, right?</p> <p>23 For the record, I should just, in</p> <p>24 case this hasn't already been clarified, you are</p> <p>25 here today with Mr. Crimmins who is representing</p> <p style="text-align: center;">83</p>
<p>1 it is not a definite.</p> <p>2 Q. Thank you.</p> <p>3 Were you aware of Kik's work with a</p> <p>4 consultant in CoinFund?</p> <p>5 A. I was aware that they had contracted</p> <p>6 them or they were involved, but I was not aware</p> <p>7 of the details of their arrangements.</p> <p>8 Q. Did you ever talk to CoinFund?</p> <p>9 A. Yes, I have talked to them.</p> <p>10 MR. CADIGAN: When we move to a new</p> <p>11 topic, can we just take a break.</p> <p>12 MR. MENDEL: This is not going to</p> <p>13 take more than a minute, and then we will</p> <p>14 take a break.</p> <p>15 MR. CADIGAN: That is fine.</p> <p>16 THE WITNESS: But, I don't recall</p> <p>17 talking to them in connection with Kik</p> <p>18 specifically.</p> <p>19 I knew CoinFund from before.</p> <p>20 BY MR. MENDEL:</p> <p>21 Q. Very well.</p> <p>22 MR. MENDEL: I think this is a good</p> <p>23 time for a break. Off the record.</p> <p>24 Thank you, Mr. Mougayar.</p> <p>25 THE WITNESS: Thank you.</p> <p style="text-align: center;">82</p>	<p>1 you, correct, personally?</p> <p>2 A. Yes.</p> <p>3 MR. CRIMMINS: Correct.</p> <p>4 BY MR. MENDEL:</p> <p>5 Q. And we also have Luke Cadigan here,</p> <p>6 who is from Cooley here representing Kik,</p> <p>7 correct?</p> <p>8 A. Yes.</p> <p>9 Q. Mr. Cadigan doesn't represent you,</p> <p>10 right?</p> <p>11 A. That's correct.</p> <p>12 MR. CADIGAN: I don't represent him</p> <p>13 personally, no.</p> <p>14 BY MR. MENDEL:</p> <p>15 Q. Nor does the firm Cooley represent</p> <p>16 you.</p> <p>17 A. Personally, no.</p> <p>18 MR. CADIGAN: We do represent the</p> <p>19 Foundation.</p> <p>20 BY MR. MENDEL:</p> <p>21 Q. You wish to clarify the prior answer</p> <p>22 that you made in the deposition?</p> <p>23 A. Yes, with respect to whether I had</p> <p>24 consulted with Cooley, and my clarification is</p> <p>25 that I did not consult with Cooley pertaining to</p> <p style="text-align: center;">84</p>

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1 my consulting agreement with Kik.
 2 But, I have consulted with Cooley in
 3 relation to matters relating to Kin, the
 4 Foundation specifically. So that is the
 5 separation I wish to clarify.
 6 **Q.** Okay. That goes to my question of
 7 whether you consulted with, or whether you sought
 8 legal advice from Kik's lawyers to guide your
 9 work for Kik. Correct? Is that the question
 10 that you are --
 11 **A.** To guide.
 12 **Q.** -- clarifying?
 13 **A.** My, pertaining to Kik. Not to my
 14 advisory agreement with Kik. But, to the work.
 15 To the Kins work.
 16 **Q.** So, your testimony is that you
 17 sought legal advice from to Kik's lawyers to
 18 guide your work for Kik?
 19 **A.** Not to guide my, what did you mean
 20 by that? To guide my work? To guide my work
 21 pertaining to Kin, not to guide my advisory
 22 agreement with Kik. More the work itself.
 23 **Q.** Your work regarding Kin?
 24 **A.** Regarding Kin, correct.
 25 **Q.** And, Kik's lawyers that you

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1 consulted with were Cooley?
 2 **A.** Correct, yes.
 3 **Q.** And, do you know when you started
 4 consulting, or, when you consulted with Cooley
 5 about your work regarding Kin?
 6 **A.** If I recall, I knew them before. I
 7 knew Nancy. So I don't recall exactly when it
 8 started, but it would have been in that time
 9 frame.
 10 **Q.** Which time frame. Can you --
 11 **A.** In the April/May time frame of 2017.
 12 **Q.** Okay. And what made, what refreshed
 13 your memory that you consulted with Cooley about
 14 your work for Kin?
 15 I'm not asking you to tell me
 16 anything privileged that you discussed with your
 17 counsel. I'm just asking you whether there was
 18 anything that refreshed your memory about this is
 19 what you did?
 20 **MR. CRIMMINS:** Objection, he didn't
 21 say his memory was refreshed; he said he was
 22 clarifying.
 23 **THE WITNESS:** Yes, I, that is
 24 correct. I mean, I -- it would be too far to
 25 be able to answer that question, specifically.

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1 **BY MR. MENDEL:**
 2 **Q.** Okay. But, just for the record this
 3 clarification came after the break. Correct?
 4 **A.** Yes.
 5 **Q.** Okay. Kik made the decision to
 6 announce its offering of Kin at your Token
 7 Summit, correct?
 8 **A.** Yes.
 9 **Q.** And that was in May of 2017?
 10 **A.** Yes.
 11 **Q.** Do you know how it was decided to
 12 announce Kin at the Token Summit?
 13 **A.** I don't remember exactly how it was
 14 decided. No, I don't remember it. No.
 15 **Q.** The decision was made?
 16 **A.** Yes, I had conversations or --
 17 **Q.** Okay.
 18 (Whereupon, Exhibit 135
 19 was marked for identification.)
 20 **BY MR. MENDEL:**
 21 **Q.** I have given you what has been
 22 marked as Deposition Exhibit Number 135. And
 23 this is, appears to be an e-mail from you to Erin
 24 Clift with a cc: to Ted Livingston on April 8,
 25 2017.

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1 Do you recognize this document?
 2 **A.** From that time, yes.
 3 **Q.** Who is Ms. Clift?
 4 **A.** She works for Kik. I, it seems that
 5 she is in marketing at Kik or --
 6 **Q.** Do you remember that? Do you
 7 remember that she was in marketing at Kik?
 8 **A.** I remember her name. I don't think
 9 I met her. But it was communications.
 10 **Q.** Do you know why you are e-mailing
 11 her?
 12 Well, let me read the first part of
 13 the e-mail. It says, the subject line is Token
 14 Summit. So you are talking about the Token
 15 Summit, right?
 16 **A.** Uh-huh.
 17 **Q.** And then you say, "Hi Erin, yes, we
 18 can talk next week. We expect 350 to 400
 19 attendees, a mix of crypto token crowd
 20 entrepreneurs, business managers, investors/VCS,
 21 Wall Street-types, regulators and media."
 22 Correct?
 23 **A.** Yes.
 24 **Q.** And, what did you mean by VCS?
 25 **A.** Venture capitalists.

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<p>1 Q. And is this how you would, how you 2 described your expected attendees at the Token 3 Summit? 4 A. That the mix of is what I expected, 5 yes. 6 Q. Right. This e-mail is you 7 describing what you thought the attendees would 8 be? 9 A. To correct something you said 10 earlier. The prior e-mail, I did not initiate 11 this e-mail to Erin. I was responding. I think 12 Ted had looped in Erin from his side and that was 13 my first interaction with Erin. So I was 14 responding, right. The top is in response to the 15 bottom. 16 Q. Yes, thank you. 17 A. So, I did not initiate the e-mail to 18 Erin. I was responding. 19 Q. Understood. So, yes, for the record 20 the first e-mail in the chain is Erin Clift 21 writing. 22 It appears to be an e-mail to Ted. 23 And then it is just on the first page. And then 24 on April 7th, Ted responds and then also on 25 April 7th Erin writes, it is hard to know who she</p> <p style="text-align: center;">89</p>	<p>1 A. Yes. 2 Q. On May 18th, 2017, and there was an 3 attachment to the e-mail starting on the next 4 page with the small number 362, the e-mail is 5 Page 361. The attachment starts to 362. 6 Do you recognize this document that 7 I have given you? 8 A. Yes. 9 Q. What is it? 10 A. It says Kin: A Decentralized 11 Ecosystem For Digital Services For Daily Life. 12 Q. The first page is, do you remember, 13 it is an e-mail from Miss Clift to you? 14 Do you remember receiving this 15 e-mail? 16 A. Yes. At the time, yes. 17 Q. Okay. And, did you understand the 18 attachment to be a draft excerpt of the white 19 paper? 20 A. That is what it says, yes. 21 Q. And, going through this, did you 22 read it when you received it? 23 A. Yes, I did. 24 Q. Going through it, starting on 25 Page 365, well let's start at Page 364, actually.</p> <p style="text-align: center;">91</p>
<p>1 wrote to, but she wrote an e-mail saying thanks 2 Ted. And then apparently you were looped in. 3 And you responded to Erin, correct? 4 A. She was asking Ted to connect him 5 with me. So, she works for Ted. 6 Q. Correct. Okay. And, going back to 7 the, your response to Erin, and your description 8 of who you thought the attendees would be. 9 Did the, did your prediction of who 10 the attendees would be, did that turn out to be 11 true? 12 A. Roughly speaking. I don't have the 13 stats. It was a mix. We ended up getting more 14 than that number. But -- 15 Q. Do you know how many attendees came? 16 A. Close to 700. 17 Q. Okay. We are done. 18 (Whereupon, Exhibit 136 19 was marked for identification.) 20 BY MR. MENDEL: 21 Q. I have given you what has been 22 marked Deposition Exhibit 136. 23 A. Okay. 24 Q. And, it appears to be an e-mail from 25 Erin Clift to you.</p> <p style="text-align: center;">90</p>	<p>1 There is a caption that says Kik's 2 Vision, right? Do you see that? 3 A. 365. 4 Q. I'm sorry, Page 364. 5 A. 64, yes, yes. 6 MR. CRIMMINS: There it is. 7 THE WITNESS: Yes. 8 BY MR. MENDEL: 9 Q. And then on the next page, 365, it 10 is an outline of Kik's vision. Correct? And it 11 says, "Step 1, A New Digital Currency." 12 A. Yes. 13 Q. And then Step 2, also in that same 14 page "Building Fundamental Value." Correct? 15 A. Yes. 16 Q. And then to the next Page 366 says, 17 "Step 3, Building an Ecosystem." 18 A. Yes. 19 Q. And then finally "Step 4, A 20 Foundation For Open Governance." 21 Do you see that? 22 A. Yes. 23 Q. Okay. And did you, was this 24 consistent with your understanding of what Kik's 25 plans were?</p> <p style="text-align: center;">92</p>

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1 A. Yes, this was a background for me to
2 prepare for the interview I was going to conduct
3 with Ted.
4 Q. Okay. You can put that down.
5 (Whereupon, Exhibit 137
6 was marked for identification.)
7 BY MR. MENDEL:
8 Q. I have given you what has been
9 marked Deposition Exhibit 137.
10 A. Uh-huh.
11 Q. And this is an e-mail chain with an
12 e-mail at the top from somebody named Rod McLeod.
13 I'm not sure if I pronounced that properly.
14 M-C-L-E-O-D --
15 A. Yes.
16 Q. -- to you, on May 23rd, 2017, with a
17 cc: to Erin Clift, correct?
18 A. Yes.
19 Q. Do you recognize this e-mail chain?
20 A. Now that you have put it in front of
21 me I recognize it, yes.
22 Q. Okay. So, please take a moment and
23 take a look at it.
24 A. Okay.
25 Q. Okay. So, on the first page it

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1 looks like on May 15th Rod McLeod had e-mailed
2 you about the upcoming Token Summit, right, and
3 asked whether Ted was speaking on May 24th or
4 25th. He wanted clarification of the date. And
5 you responded in your e-mail on May 15th that Ted
6 was currently planning to do the Fireside Chat on
7 May 25th. Right?
8 A. Uh-huh.
9 Q. Okay. And, then you list four items
10 that you had planned to talk to Mr. Livingston
11 about. Do you see that?
12 A. Yes.
13 Q. And, Number 4 was where is this
14 going to take you, what is the vision two to
15 three years from now.
16 Did you plan on asking
17 Mr. Livingston about this two to three-year plan?
18 A. That is what it seemed like. That I
19 was trying to structure the interview. And these
20 were suggested questions. This is something I do
21 with anybody that I end up interviewing.
22 Q. Okay. Did you think it was
23 pertinent to Mr. Livingston's presentation at the
24 Token Summit, his plans for two to three years?
25 A. Yes.

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1 Q. When you say where is this going to
2 take you, who did you mean by you?
3 A. It could be the company, it could be
4 Kin, it could be the project. The vision,
5 basically. Where is this going. These are
6 generic. These questions could be asked to
7 anyone.
8 Q. Okay.
9 A. It is not very, yeah, it is broad
10 direction.
11 Q. Standard questions.
12 A. Lots of similarities with other
13 questions I would ask.
14 Q. So, you introduced Mr. Livingston at
15 the Token Summit, right?
16 A. Yes.
17 Q. Okay. And it was a Fireside Chat;
18 is that right?
19 A. Correct.
20 Q. And at the conference, did you, what
21 was your understanding of why Mr. Livingston was
22 appearing there? Like why did he come to the
23 Token Summit?
24 A. So, my role as an organizer is to
25 put content in front of an audience.

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1 And, he was one of the content that
2 would be relevant to the audience.
3 And, he was going to announce the
4 project and give some details about what they
5 were planning to do with the cryptocurrency Kin
6 that they were planning to launch.
7 Q. The project that you are referring
8 to is the project with Kin, correct?
9 A. Yes.
10 Q. And, it was Kik that was announcing
11 the issuance of, or the project for Kin, correct?
12 A. That's correct.
13 Q. Did you understand that
14 Mr. Livingston was representing Kik at this
15 conference?
16 A. Yes.
17 Q. Did you understand Mr. Livingston to
18 be speaking on behalf of Kik at the conference at
19 the Fireside Chat?
20 A. Yes.
21 Q. Have you watched any video of the
22 Token Summit of the Fireside Chat between you and
23 Mr. Livingston since you did it in 2017?
24 A. I did, when do you mean, when did
25 I -- when?

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1 Q. At any time after you had the chat
2 with Mr. Livingston at the summit, did you watch
3 any video of it?
4 A. Yes, I replayed it later. Yes.
5 Q. When did you replay it?
6 A. That year. I think probably a month
7 or two after, I replayed it.
8 Q. Have you watched it recently?
9 A. No, I have not watched it recently.
10 Q. Have you read any transcripts of the
11 chat that you had with Mr. Livingston?
12 A. No. I have not.
13 Q. Okay.
14 (Whereupon, Exhibit 138
15 was marked for identification.)
16 BY MR. MENDEL:
17 Q. So, I can represent to you,
18 Mr. Mougayar, that the SEC obtained a copy of
19 what we believed to be the video of the Token
20 Summit --
21 A. Okay.
22 Q. -- and the conference between -- and
23 the conversation between you and Mr. Livingston
24 and we had a transcript made of it.
25 And, what I'm giving you as

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1 Deposition Exhibit 138 is a copy of the written
2 transcript the SEC had made.
3 A. Okay.
4 Q. But, you had never seen this before,
5 correct?
6 A. No.
7 Q. Okay. So I just wanted to go
8 through some sections of the transcript with you
9 and ask you some questions about the
10 conversation.
11 A. Okay.
12 Q. You will see on, so, if I refer to a
13 page number, what I am referring to is the
14 little, one of the little square boxes on one
15 page.
16 A. Yes.
17 Q. It is pages, so, the, you will see
18 Pages 2, 3, 4, 5 on one page. Do you see that?
19 A. Yes. Sure.
20 Q. Okay. So, do you want another
21 minute to look at it or can I ask you some
22 questions?
23 A. You can go ahead, that is fine.
24 Q. Okay. So, let's just start with
25 Page 2.

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1 A. Yes.
2 MR. CADIGAN: Before you start, what
3 is the date on this?
4 BY MR. MENDEL:
5 Q. What is the date of what?
6 MR. CADIGAN: Of the presentation
7 that is referenced in this transcript.
8 BY MR. MENDEL:
9 Q. Okay. So, do you remember the date
10 on which Mr. Livingston made his announcement at
11 the Token Summit?
12 A. It was the day of the Token Summit.
13 I believe it was May 25th, 2017.
14 Q. Right.
15 A. If I'm not mistaken. Yes, May 25th
16 all right.
17 Q. That is my understanding. I think
18 that is pretty clear on the record?
19 A. It is a public date, yes.
20 Q. He so, to answer Mr. Cadigan's
21 question, this was a transcript of the video from
22 the 25th.
23 MR. CADIGAN: Okay.
24 BY MR. MENDEL:
25 Q. So, going back to Page 2.

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1 A. Uh-huh.
2 Q. You see it says Male Speaker at the
3 very top?
4 A. Yes.
5 Q. Is that you?
6 A. Yes, that's correct.
7 Q. Okay. If at any point in this
8 document you see male speaker and you don't think
9 it is you, please let me know, but I have every
10 reason to think that you are the male speaker.
11 A. Yes, I mean this if this was an
12 ongoing transcription of the video, I was the one
13 with that, yes.
14 Q. Okay, great. And so, let me walk
15 you through some parts.
16 I'm looking on Page 4.
17 A. Uh-huh.
18 Q. And if you look on Page 4, do you
19 see the numbers running down the left-hand side.
20 A. Yes.
21 Q. If you go to 17. And it states
22 starting on Line 17 of Page 4, "But in that white
23 paper you will see we outlined four steps to what
24 we are trying to do.
25 "So, the first step, very simply, is

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<p>1 we are going to create Kin, a new cryptocurrency 2 on the Ethereum blockchain. So it will be an 3 ERC-20 token." 4 A. Yes. 5 Q. As far as you can remember this 6 seems like an accurate transcription? 7 I'm not asking you to verify it. 8 I'm just saying as far as you can remember, this 9 looks to be accurate, correct? 10 A. Yes. Seems that way. 11 Q. And the opening phrase is "But in 12 that white paper," what was the white paper, just 13 so we have a basis for talking about this? 14 A. I think he published the white paper 15 that same day. 16 Q. Okay. And what generally is the 17 white paper? 18 A. Similar to that draft you just 19 showed me, it was outlining the vision and what 20 they were doing. 21 Q. And you are referring to? 22 A. You may have brought in a draft of 23 it. 24 Q. Deposition Exhibit 136, right? 25 A. Yes, I think. That was the draft of</p> <p style="text-align: center;">101</p>	<p>1 Did I read that correctly? 2 A. So, are we on Page 5 here? 3 Q. Yes. 4 A. What line? 5 Q. Oh, let me, I started on Line 13. 6 13 to 16. 7 A. Okay. Okay. 8 Q. And, does this seem like an accurate 9 transcription as far as you can remember? 10 A. Yes. 11 Q. And was this consistent with the 12 vision statement that you saw as the draft white 13 paper? 14 A. Yes. 15 Q. Did you understand what 16 Mr. Livingston meant by integrating Kin into Kik? 17 A. Yes. 18 Q. What was your understanding of what 19 he meant? 20 A. To make Kin as a currency, 21 cryptocurrency available to Kik users. That is 22 what my understanding was. 23 Q. Did you think he meant spending Kin 24 inside the Kik Messenger? 25 A. Yes, that would be one of his cases,</p> <p style="text-align: center;">103</p>
<p>1 what later became a bit more elaborate white 2 paper. That is my recollection. 3 Q. Okay, fine. And they issued that on 4 May 25th, the same day as the Token Summit? 5 A. I think so. I think it was 6 orchestrated that way, yes. 7 Q. Okay. And was this Step 1 that I 8 just read to you on Page 4 of Exhibit 138 that 9 was consistent with what you had read in the 10 draft white paper, right? The first step was to 11 create Kin, right? 12 A. Sure. 13 Q. Okay. Fair enough. 14 And then let's go down just to 15 Line 24. It says, "The second step is 16 integrating Kin into Kik, this huge messenger to 17 give Kin value." 18 Do you see where I just read that? 19 A. Yes. Yes. 20 Q. And then further below, on Page 5, 21 skipping ahead, on Line 13 it says, "So that Step 22 Number 2 is taking Kin and integrating it into 23 one of the largest consumer apps in the world to 24 really give it value and to make Kik better and 25 monetize Kik in a new way."</p> <p style="text-align: center;">102</p>	<p>1 yes. 2 Q. Did you think he meant earning Kin 3 within Kik Messenger? 4 A. Potentially. It is about earning 5 and spending, yes. 6 Q. Did you think that integration of 7 Kin into Kik Messenger would be accomplished by 8 the time of the token distribution event? 9 A. I did not think either way. I 10 wasn't thinking of that. I had no -- can you 11 rephrase the question? Did I think ... 12 Q. I can re-ask it. 13 At the time of the Token Summit, at 14 the time that Kik issued its white paper, and 15 Mr., at the summit when Mr. Livingston said 16 Step 2 was integrating Kin into Kik, did you have 17 a view as to whether that would be accomplished 18 by the time of Kik's token distribution event for 19 Kin? 20 A. I don't remember the timing aspect. 21 So I wouldn't be able to answer it accurately in 22 saying to you yes or no. So, I don't remember 23 now, what the timing expectations were. 24 Q. And, do you know what I meant by 25 token distribution event?</p> <p style="text-align: center;">104</p>

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<p>1 A. Yes.</p> <p>2 Q. What is your understanding about</p> <p>3 token distribution event?</p> <p>4 A. The availability of the token for,</p> <p>5 to make it, to make it available to the public,</p> <p>6 basically, to be bought, to be purchased, that</p> <p>7 was my understanding.</p> <p>8 Q. The issuance of the token?</p> <p>9 A. Yes.</p> <p>10 Q. And that occurred in September of</p> <p>11 2017?</p> <p>12 A. I believe so, yes.</p> <p>13 Q. When Mr. Livingston made that</p> <p>14 statement at the Token Summit, did you have any</p> <p>15 view at all as to how long it would take to</p> <p>16 integrate Kin into Kik?</p> <p>17 A. No, because it wasn't -- I mean my</p> <p>18 role there was as an interviewer. So, I was a</p> <p>19 neutral party there.</p> <p>20 I was, I didn't have any views. I</p> <p>21 was just interviewing Ted, basically asking him</p> <p>22 questions.</p> <p>23 Q. Did you understand what he meant by</p> <p>24 monetizing Kik in a new way?</p> <p>25 A. It is a vague statement, I would</p> <p style="text-align: center;">105</p>	<p>1 A. Yes.</p> <p>2 Q. And, I'm going to skip ahead also to</p> <p>3 Page 6, Line 2.</p> <p>4 A. Yes.</p> <p>5 Q. He says, "What if we took a big</p> <p>6 chunk of Kin and used it to create what we called</p> <p>7 the Kin rewards engine." Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. Does that seem like that is an</p> <p>10 accurate transcription, correct?</p> <p>11 A. Yes.</p> <p>12 Q. And it is consistent with the vision</p> <p>13 statement that you read?</p> <p>14 A. Yes.</p> <p>15 Q. You asked a question further below</p> <p>16 starting on Line 22.</p> <p>17 A. Uh-huh.</p> <p>18 Q. "It is almost like a profit sharing</p> <p>19 kind of co-op type model. Right?"</p> <p>20 Do you see that?</p> <p>21 A. Uh-huh.</p> <p>22 Q. And Mr. Livingston responds, "Yeah,</p> <p>23 it economically incentivizes everybody to work</p> <p>24 together. And the really nice thing about it is</p> <p>25 it creates this great network effect where the</p> <p style="text-align: center;">107</p>
<p>1 say. Do I understand it? At the time?</p> <p>2 Q. At the time, correct.</p> <p>3 A. I understood it in the way that it</p> <p>4 would be a cryptocurrency that would enable an</p> <p>5 economic activity within the ecosystem in terms</p> <p>6 of spending and earning of it.</p> <p>7 So, I understood in the context of a</p> <p>8 cryptocurrency that is being used by users.</p> <p>9 Q. But how would that be -- well, did</p> <p>10 you have an understanding of what monetizing Kik</p> <p>11 in a new way meant?</p> <p>12 A. At the time, I think, I'm not sure</p> <p>13 if Kik can, I mean if Ted discusses this later</p> <p>14 on.</p> <p>15 I don't remember exactly. I mean,</p> <p>16 in my understanding, the monetization is part of</p> <p>17 the economic activity of the buying and selling.</p> <p>18 So, beyond that, I think that is</p> <p>19 Ted's, you have to ask Ted, I think.</p> <p>20 Q. Going, continuing on Page 5,</p> <p>21 Line 17, he says, "But we didn't stop there. We</p> <p>22 said wait a second, if we give Kin value, could</p> <p>23 we use some of that value to spark the creation</p> <p>24 of a new Kin, of a new ecosystem of digital</p> <p>25 services." Correct?</p> <p style="text-align: center;">106</p>	<p>1 more developers that come into this ecosystem,</p> <p>2 the more transactions they create. The more</p> <p>3 transactions they create, the more valuable Kin</p> <p>4 overall becomes. And the more valuable Kin</p> <p>5 overall becomes, the more valuable the daily</p> <p>6 reward becomes."</p> <p>7 A. Yes.</p> <p>8 Q. "And so we see this, daily rewards</p> <p>9 starting at about \$100,000 a day, but could</p> <p>10 quickly grow to a half a million dollars a day if</p> <p>11 not more." Right? So, I will stop there.</p> <p>12 Did you have an understanding of</p> <p>13 what Mr. Livingston was describing here?</p> <p>14 A. Roughly. I mean, these are, these</p> <p>15 were, this is part of his vision.</p> <p>16 So, I wasn't the one to judge his</p> <p>17 vision. He is the entrepreneur. So, that was</p> <p>18 his vision. And I just let him communicate it,</p> <p>19 basically. I did not have a judgment on it.</p> <p>20 Q. Did you understand Mr. Livingston to</p> <p>21 say that the rewards engine would help Kin to</p> <p>22 become more valuable?</p> <p>23 A. Inasmuch as it created an economic</p> <p>24 activity by the usage of the cryptocurrency, that</p> <p>25 was my understanding of it. That it was going to</p> <p style="text-align: center;">108</p>

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<p>1 be a cryptocurrency to be used for digital 2 services within the Kin ecosystem. So that was 3 my understanding.</p> <p>4 Q. And, by developing economic activity 5 or usage of a Kin, it would go up in price, 6 correct?</p> <p>7 A. That wasn't my conclusion. I mean 8 that is what you are saying, so, I'm not --</p> <p>9 Q. Did you understand that from Ted's 10 comments? That by stirring economic activity and 11 through the rewards engine, Kik would help Kin go 12 up in price?</p> <p>13 A. Are you saying that he is implying 14 it. Or is he -- I'm not sure.</p> <p>15 Q. I'm asking you if that is your 16 understanding of what he was saying here.</p> <p>17 A. It wasn't the first thing that, it 18 wasn't the first, I mean understanding is a 19 multi, in my opinion, understanding is a 20 multi-layered kind of thing. You can understand 21 one aspect of something or ten aspects of it.</p> <p>22 I was focused more on the 23 cryptocurrency usage of Kin as a currency. And, 24 what happened after was, I think, it is not 25 something that I was necessarily predicting.</p> <p>109</p>	<p>1 Step 4 of our plan, which you will see in our 2 white paper, is to create the Kin Foundation."</p> <p>3 A. Uh-huh.</p> <p>4 Q. And then further down below on 5 Page 11, Line 3.</p> <p>6 A. Yes.</p> <p>7 Q. Male speaker, that is you?</p> <p>8 A. Yes.</p> <p>9 Q. And you say, "So, this is kind of, 10 it gets to into governance territory because now 11 you have a responsibility for billions, millions 12 or maybe billions of dollars in cryptocurrency. 13 So, how will you set up the governance structure? 14 Is it going to be a separate structure from Kik, 15 Inc.?"</p> <p>16 A. Yes.</p> <p>17 Q. Why did you ask whether the 18 Foundation would be separate?</p> <p>19 A. Because that is how I had seen other 20 foundations operate, as a separate structure.</p> <p>21 Q. Did you think the separation was 22 important? Did you think it was an important 23 aspect of the vision that listeners would want to 24 know?</p> <p>25 A. Yes. I would say so.</p> <p>111</p>
<p>1 Q. When he says the daily reward could 2 start at \$100,000 a day, and quickly grow to half 3 a million or a million dollars a day.</p> <p>4 A. Uh-huh.</p> <p>5 Q. Do you understand that to reflect an 6 increase in the price of Kin?</p> <p>7 A. Not necessarily. No. I don't think 8 they are related. That is not my understanding 9 at least.</p> <p>10 Q. If Kin did not go up in price, how 11 else could the daily reward go up from \$100,000 12 to a million dollars a day?</p> <p>13 A. I'm not sure. I mean maybe I didn't 14 understand it. But again this was a vision, 15 Ted's vision. So, he said it. So, I just, I 16 was, I did not totally understand it to be 17 honest.</p> <p>18 Q. Going ahead to Page 10?</p> <p>19 A. Yes.</p> <p>20 Q. Let me know if you are there.</p> <p>21 A. Yes. Okay. Yes.</p> <p>22 Q. Looking at Page 10, Line 11, are you 23 there?</p> <p>24 A. Yes.</p> <p>25 Q. It says, "Our ultimate vision,</p> <p>110</p>	<p>1 Q. And why is that?</p> <p>2 A. Because of the governance for trust 3 issues, for, it is really a trust, a matter of 4 trust. So that again as I was saying here, there 5 would be some value in, the Foundation is like 6 the keeper of the value.</p> <p>7 So, yes, there would be important 8 that the Foundation be independent or separate. 9 Yes.</p> <p>10 Q. The transcript continues on Line 9 11 of Page 11, Mr. Livingston responds, "Yes, so, 12 the timeline for this is we are publishing our 13 white paper today. We will start integrating Kin 14 into Kik in a way very similar to what we did 15 with Kik coins and then we will announce a token 16 distribution event later this summer.</p> <p>17 "And from there later this year or 18 early next year that is where we will, where we 19 will start to open up the platform for other 20 developers to join the ecosystem.</p> <p>21 "At that point, that is where we 22 will create the Kin Foundation and that is really 23 why we want to publish the white paper is figure 24 out who are the best people to run this." Okay?</p> <p>25 A. Okay.</p> <p>112</p>

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<p>1 Q. Stopping there, did you understand 2 when Mr. Livingston was saying that Kin 3 Foundation would be established from his 4 description here? 5 A. It seemed that it would be 6 established after the, as he said, after the 7 distribution event. Towards the latter part of 8 the year. That is what it seems that he said. 9 So, now that you are putting this in 10 front of me, I'm refreshing my mind. That seems 11 that is what he said. Yes. At that point we 12 will create the Foundation. That is what he is 13 saying. Yes. 14 Q. Did you understand that the 15 Foundation would operate independently from Kik 16 right away? 17 A. I didn't have a prejudgment on that. 18 When you say right away, no. Not right away. 19 Nothing. I wouldn't say right away. It would be 20 gradual, I saw it as a gradual development. 21 Q. When you say gradual, over the 22 course of weeks, months, a year? 23 A. Probably months. Many months. 24 Q. Could it be as long as a year? 25 A. Could be, possibly.</p> <p style="text-align: center;">113</p>	<p>1 Q. And what sorts of activities did you 2 focus on following the announcement at the Token 3 Summit? 4 A. It was varied. I mean, some of them 5 pertain to the rollout of the distribution event, 6 I think. I can't remember if, I may have 7 introduced them to a law firm in Switzerland. 8 MME, they had experience in token distribution 9 events. 10 And I was there more to respond to 11 their inquiry. 12 So, I wasn't necessarily initiating, 13 initiating things myself. I was responding to 14 their inquiries. 15 So, whatever they wanted me to 16 respond to. 17 Q. Did you consult with Kik about its 18 rewards engine? 19 A. Yes, we were, there were some models 20 and some, I recall there were some discussions 21 about the Kin's rewards engine. 22 Q. What do you remember about the 23 discussions, and I am talking about the months 24 between the announcement and the distribution 25 event.</p> <p style="text-align: center;">115</p>
<p>1 Q. There wasn't a set time frame on it 2 at this point, correct? 3 A. Not according to what I had heard 4 Ted. 5 Q. Not according to what Ted said at 6 the Token Summit? 7 A. Correct, correct. 8 Q. Okay. You can put that down. 9 A. Sure. 10 Q. And did you, do you remember the 11 white paper being issued, correct? 12 A. Yes. 13 Q. Did you read it when it was issued? 14 A. Yes. 15 Q. Okay. You read it in detail? 16 A. Yes. 17 MR. MENDEL: Why don't we try to go 18 a little bit longer and then we will break 19 for lunch. Does that work for everybody? 20 THE WITNESS: Yes, that works. 21 BY MR. MENDEL: 22 Q. Okay. Following that announcement 23 at the Token Summit, did you continue to consult 24 for Kik? 25 A. I believe so, yes. Yes.</p> <p style="text-align: center;">114</p>	<p>1 A. I don't remember exactly right now. 2 I mean it would be documented in the e-mails. 3 It would be about the, I mean how it 4 was going to work. The different relationships 5 between the currency usage and how it would 6 translate to the rewards. 7 There was some formula, I think Ted 8 wanted to have a formula of some sort. And we 9 were iterating on what it could be. That is what 10 I kind of vaguely remember. 11 Q. Did you, do you remember any 12 conversations about automating the Kin rewards 13 engine? Creating an algorithm for it? 14 A. There was discussion about it, yes. 15 I mean I said equation, algorithm, it was going 16 to be, to make it fair, it was an algorithmic 17 kind of thing. It wasn't an objective. 18 Q. Do you remember advising Kik to 19 automate the rewards engine slowly, to not go too 20 fast? 21 A. I don't remember that specifically. 22 From memory I don't remember. But if it is in 23 e-mails then you have to refresh my memory to it. 24 Q. As Mr. Livingston indicated at the 25 Token Summit the plan was to put Kin on the</p> <p style="text-align: center;">116</p>

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<p>1 Ethereum blockchain; is that right?</p> <p>2 A. Yes.</p> <p>3 Q. Through an ERC-20 token, do I have</p> <p>4 that right?</p> <p>5 A. Yes.</p> <p>6 Q. And did you have discussions with</p> <p>7 Kik about this decision, about putting Kin on the</p> <p>8 Ethereum blockchain?</p> <p>9 A. Yes.</p> <p>10 Q. When did those discussions take</p> <p>11 place?</p> <p>12 A. Over the, what period? I can't --</p> <p>13 Q. In the months actually, before, as,</p> <p>14 in the months leading up to his decision to put</p> <p>15 Kin on the block, on the Ethereum blockchain, you</p> <p>16 had discussions with Kik about that?</p> <p>17 A. Prior to or after?</p> <p>18 Q. Before. Before.</p> <p>19 A. I wasn't part of the -- I mean</p> <p>20 ERC-20 was like, was the most popular way of</p> <p>21 doing, of creating currency.</p> <p>22 So, it was a given. It wasn't a big</p> <p>23 decision. I mean it wasn't -- it was a very</p> <p>24 mundane decision basically, the ERC-20.</p> <p>25 Q. So, after the decision was made, did</p> <p style="text-align: center;">117</p>	<p>1 recent e-mail July 20th, 2017. This one is from</p> <p>2 Mr. Livingston to you. Do you see that?</p> <p>3 A. Yes.</p> <p>4 Q. Do you remember this e-mail?</p> <p>5 A. Now I remember, yes.</p> <p>6 Q. Okay. Okay. What is this e-mail</p> <p>7 thread about?</p> <p>8 A. It is about the applicability of the</p> <p>9 Ethereum blockchain for the deployment of Kin.</p> <p>10 Yes.</p> <p>11 Q. You write on July 19th, 2017, and</p> <p>12 this is also close to the top of the first page,</p> <p>13 "Eventually it is my belief that you will need to</p> <p>14 run your own blockchain as it is a proprietary</p> <p>15 edge that you have."</p> <p>16 What did you mean by that? By --</p> <p>17 A. I was suggesting as one of the</p> <p>18 options they could have is to have, to run what</p> <p>19 is called a private blockchain.</p> <p>20 Q. And why did you think that might be</p> <p>21 a good course of action?</p> <p>22 A. Because at the time the transaction</p> <p>23 speed of the Ethereum public blockchain had some</p> <p>24 limitations.</p> <p>25 Q. What were the limitations?</p> <p style="text-align: center;">119</p>
<p>1 you have a view as to the technological</p> <p>2 limitations of the Ethereum blockchain?</p> <p>3 A. Can you rephrase the question? What</p> <p>4 is --</p> <p>5 Q. In -- after the token</p> <p>6 announcement --</p> <p>7 A. Uh-huh.</p> <p>8 Q. -- during the summer of 2017, did</p> <p>9 you have a view as to the relative effectiveness</p> <p>10 of the Ethereum blockchain?</p> <p>11 A. I had knowledge about the Ethereum</p> <p>12 blockchain. And, I was helping them in, I was</p> <p>13 connecting them with the right people at the</p> <p>14 Ethereum, on the Ethereum side so they can</p> <p>15 evaluate the technology. The Ethereum</p> <p>16 technology. So --</p> <p>17 (Whereupon, Exhibit 139</p> <p>18 was marked for identification.)</p> <p>19 THE WITNESS: Yes, yes. Yes.</p> <p>20 BY MR. MENDEL:</p> <p>21 Q. I have given you what has been</p> <p>22 marked Deposition Exhibit 139.</p> <p>23 A. Correct.</p> <p>24 Q. And so this is an e-mail chain</p> <p>25 dated, at the top, as the first, as the most</p> <p style="text-align: center;">118</p>	<p>1 A. The transactions per seconds, the</p> <p>2 speed, the speed limitations.</p> <p>3 Q. Is that a latency or a scalability</p> <p>4 issue?</p> <p>5 A. It is a scalability factor. Not an</p> <p>6 issue, but it is a factor. It was a known</p> <p>7 factor.</p> <p>8 Q. Further below in this e-mail,</p> <p>9 "Ethereum main net cannot process the transaction</p> <p>10 throughput you want, but with AM.IS, you have</p> <p>11 continuity with private public which is what you</p> <p>12 want eventually."</p> <p>13 Did Kik eventually work with AM.IS?</p> <p>14 A. Not to my knowledge.</p> <p>15 Q. Do you know why not?</p> <p>16 A. I wasn't involved in -- no, I don't</p> <p>17 know why.</p> <p>18 Q. Okay.</p> <p>19 A. I think they were evaluating many of</p> <p>20 the options. It was one of the options.</p> <p>21 So, they were evaluating many, many</p> <p>22 options in terms of their implementations and</p> <p>23 this is one of them.</p> <p>24 Q. Okay. I will take that back.</p> <p>25 A. I have two copies of the same. So,</p> <p style="text-align: center;">120</p>

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<p>1 I don't know if you want to keep that one.</p> <p>2 Q. Thank you. Around the time of the</p> <p>3 public announcement, again in May, 2015, in 2017,</p> <p>4 did you have an expectation of what Kin's</p> <p>5 functionality would be at the time of the token</p> <p>6 distribution event?</p> <p>7 A. Did I have an expectation of what it</p> <p>8 would be at, in May?</p> <p>9 Q. So, I'm asking you, at the time in</p> <p>10 May, right, did you have an expectation of what</p> <p>11 kind of functionality Kin would have at the time</p> <p>12 of its issuance?</p> <p>13 A. That, I'm trying to remember now.</p> <p>14 At the time, what did I expect.</p> <p>15 Q. Correct.</p> <p>16 A. I think I would have, I was</p> <p>17 expecting it to have some functionality.</p> <p>18 Q. At the time of its issuance?</p> <p>19 A. Or thereabouts.</p> <p>20 Q. Uh-huh.</p> <p>21 A. I don't think it was, in my opinion,</p> <p>22 it wasn't critical to know exactly what the</p> <p>23 functionality was potentially. But at least some</p> <p>24 functionality, yes.</p> <p>25 But, I wasn't privy to their, to</p> <p style="text-align: center;">121</p>	<p>1 responsible for opening up Kin later on after the</p> <p>2 token distribution event?</p> <p>3 A. Can you say that again? Who would</p> <p>4 be responsible for opening up --</p> <p>5 Q. I was trying to use your words. Who</p> <p>6 did you think was going to be involved in adding</p> <p>7 functionality for Kin after the token distribution</p> <p>8 event?</p> <p>9 A. Kik was doing that.</p> <p>10 Q. And why do you say that?</p> <p>11 A. They had the resources.</p> <p>12 Q. And that was true, this is what you</p> <p>13 believed in May of 2017, correct?</p> <p>14 A. Yes.</p> <p>15 Q. You will recall a prior e-mail that</p> <p>16 we looked at where, it was from the June time</p> <p>17 frame where you basically asked whether you could</p> <p>18 be included in the presale, right, for the</p> <p>19 \$100,000?</p> <p>20 A. Uh-huh.</p> <p>21 Q. So, you had decided at that point</p> <p>22 that you would like to invest in Kin, correct?</p> <p>23 MR. CRIMMINS: Objection.</p> <p>24 THE WITNESS: What month was that?</p> <p>25 BY MR. MENDEL:</p> <p style="text-align: center;">123</p>
<p>1 their actual developments.</p> <p>2 Q. Did you have any views specifically</p> <p>3 about, or expectations about functions it would</p> <p>4 have?</p> <p>5 A. I don't remember specifically. If</p> <p>6 it was, what it would be.</p> <p>7 Q. How did you think the functionality</p> <p>8 would be obtained? Who did you think was going</p> <p>9 to do the work?</p> <p>10 MR. CADIGAN: You are talking in</p> <p>11 May.</p> <p>12 BY MR. MENDEL:</p> <p>13 Q. In May.</p> <p>14 A. It depends. Because as Kin was</p> <p>15 saying, Kin was going to be integrated within</p> <p>16 Kik.</p> <p>17 And then later it was going to be</p> <p>18 integrated with other similar types of</p> <p>19 applications.</p> <p>20 And he said that they will open it</p> <p>21 up to developers after the TDE.</p> <p>22 So, the expectation was that it</p> <p>23 would be first on Kik, the Messenger and then</p> <p>24 later on the other ones.</p> <p>25 Q. Did you, who did you think would be</p> <p style="text-align: center;">122</p>	<p>1 Q. Let me see if I can find it. This</p> <p>2 is Exhibit 129. You can look at it.</p> <p>3 A. Yes, June. End of June.</p> <p>4 Q. Was the involvement of Kik's</p> <p>5 management team in Kin a factor in your decision</p> <p>6 to buy Kin?</p> <p>7 A. What did you mean by buy, did they</p> <p>8 influence me? Is that what you mean?</p> <p>9 Q. Was the make up of Kik's management</p> <p>10 team, was that a factor in your decision to buy</p> <p>11 Kin?</p> <p>12 A. Oh, I see. The quality you mean?</p> <p>13 Q. Yes.</p> <p>14 A. The quality of the management?</p> <p>15 Q. Yes.</p> <p>16 A. Yes. The quality.</p> <p>17 Q. Why was that a factor?</p> <p>18 A. Because it is important to have</p> <p>19 quality people to deliver on what the promises</p> <p>20 are.</p> <p>21 So, I had faith in their</p> <p>22 capabilities.</p> <p>23 Q. Did you think Kin could be</p> <p>24 successful without involvement of Kik long-term?</p> <p>25 A. Did I think that Kin could be</p> <p style="text-align: center;">124</p>

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<p>1 successful without Kik in the long-term?</p> <p>2 Q. Correct.</p> <p>3 A. Yes, potentially it would be, because</p> <p>4 that was the vision. The vision is to make the</p> <p>5 ecosystem decentralized without the sole reliance</p> <p>6 on one party.</p> <p>7 So, yes, I believe that in the</p> <p>8 long-term the success of the ecosystem would be</p> <p>9 related to not just Kik but others as well.</p> <p>10 Q. How long did you think it would take</p> <p>11 until the ecosystem was decentralized?</p> <p>12 A. It was too early to speculate on</p> <p>13 that question. On that answer. I would say, I</p> <p>14 could not answer it.</p> <p>15 Q. Did you think that Kik's involvement</p> <p>16 for at least a year was important to the success</p> <p>17 of Kin?</p> <p>18 A. I would say it would be fine if that</p> <p>19 was the case. It wasn't out of the ordinary if</p> <p>20 Kik had to be involved for at least a year if not</p> <p>21 more.</p> <p>22 And there would be a gradual thing.</p> <p>23 What I had to envision is that initially maybe</p> <p>24 Kik would be a big part, and then gradually, they</p> <p>25 would be a smaller part of a bigger ecosystem.</p> <p style="text-align: center;">125</p>	<p>1 called a minimum viable product?</p> <p>2 A. I'm aware of the term used in the</p> <p>3 industry as a general term. Yes.</p> <p>4 Q. Were you aware of any, it is called</p> <p>5 an MVP?</p> <p>6 A. Yes.</p> <p>7 Q. What is your understanding of what</p> <p>8 an MVP is?</p> <p>9 A. Minimum functionality that would be</p> <p>10 the most rated and used by users.</p> <p>11 Q. Minimum functionality for what?</p> <p>12 A. Any usage. I'm talking generically</p> <p>13 speaking.</p> <p>14 Q. Were you aware of an MVP plan for</p> <p>15 Kin? I'm sorry, yes, were you aware of an MVP</p> <p>16 plan for Kin?</p> <p>17 A. I had heard of it, yes.</p> <p>18 Q. And what did you hear of it?</p> <p>19 A. That there would be some</p> <p>20 functionality that, in relation to the Kik</p> <p>21 points.</p> <p>22 So, a lot of, there was a lot of Kik</p> <p>23 points legacy there that was going to be</p> <p>24 transferred to Kin as a currency.</p> <p>25 Q. Do you know if, in fact, it was</p> <p style="text-align: center;">127</p>
<p>1 Q. You thought it was important,</p> <p>2 though. I mean, for Kik to be involved for some</p> <p>3 period of time, correct?</p> <p>4 A. Yes, that was the only way.</p> <p>5 Q. And that period had to extend at</p> <p>6 least through 2017.</p> <p>7 A. It started in '17. What do you</p> <p>8 mean?</p> <p>9 Q. Well, the issuance was in September,</p> <p>10 right?</p> <p>11 A. Yes.</p> <p>12 Q. But at the time you would have</p> <p>13 expected Kik to be involved at least through</p> <p>14 developing Kin at least through 2017, correct?</p> <p>15 A. At least, yes.</p> <p>16 Q. And likely into 2018, correct?</p> <p>17 A. Correct, yes.</p> <p>18 Q. Possibly even into 2019?</p> <p>19 A. It was too early to speculate,</p> <p>20 project, projecting too far out.</p> <p>21 Like the circumstances can change</p> <p>22 your predictions so, at the time it wasn't</p> <p>23 inconceivable to see them involved until the</p> <p>24 ecosystem would be able to stand on its own feet.</p> <p>25 Q. Were you aware of Kik's, something</p> <p style="text-align: center;">126</p>	<p>1 transferred?</p> <p>2 A. Yes. That is what they told me that</p> <p>3 they were.</p> <p>4 Q. They told --</p> <p>5 A. That is the general -- I mean, they</p> <p>6 have had a history, a known history of using Kik</p> <p>7 points. So, Kik points was like a similar to a</p> <p>8 currency and it was up, they extended that into</p> <p>9 Kin.</p> <p>10 Q. What functionality from Kik points</p> <p>11 did you think was going to carryover to Kin?</p> <p>12 A. That I don't remember exactly.</p> <p>13 I am not sure I can answer that. I</p> <p>14 knew the there was a variety of use cases. I</p> <p>15 think watching videos or maybe stickers,</p> <p>16 something with stickers, and the like, there was</p> <p>17 some variety of activities.</p> <p>18 Q. You don't know specifically what</p> <p>19 Kik's MVP was, do you?</p> <p>20 MR. CRIMMINS: Objection.</p> <p>21 BY MR. MENDEL:</p> <p>22 Q. Do you know specifically what MVP</p> <p>23 Kik had planned for Kin for its token</p> <p>24 distribution event?</p> <p>25 MR. CADIGAN: As of what time?</p> <p style="text-align: center;">128</p>

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<p>1 BY MR. MENDEL: 2 Q. At any time, did you know what the 3 MVP was? 4 A. What I knew is that there would be 5 some functionality that could be demonstrated. 6 And that is the extent of it. 7 An MVP is a general term again. It 8 is, it could describe a minimal usage. I mean, a 9 demonstratable usage. It could have been 10 something that was being iterated upon. 11 So, my understanding of it in May 12 could be different in how it evolved later. 13 Q. But you didn't have any 14 understanding of specifically what they chose for 15 the MVP, do you? 16 A. I did not see a document that 17 described it. Let's put it that way. So, I did 18 not have detailed knowledge of it. 19 Q. Did you make any recommendations to 20 Kik about what minimum functionality it should 21 have? Before the TDE? 22 A. Not the specific, to the specificity 23 of it. I would, if I recall I may have said it 24 would be good to have some functionality. And 25 that was it. That was the extent of what I said</p> <p style="text-align: center;">129</p>	<p>1 (After recess -- 2:01 p.m.) 2 THE VIDEOGRAPHER: We are back on 3 the record. The time is 2:01 p.m. 4 BY MR. MENDEL: 5 Q. Good afternoon, Mr. Mougayar. 6 During the break just now, I handed you what has 7 been marked exhibit, Deposition Exhibit 140. Do 8 you see that? 9 (Whereupon, Exhibit 140 10 was marked for identification.) 11 THE WITNESS: Yes. 12 BY MR. MENDEL: 13 Q. And do you recognize it? 14 A. Yes. 15 Q. What is it? 16 A. It is a notice to certain residents 17 of the U.S., Canada, China. 18 Q. That is what it says on the first 19 page, right? 20 A. Yes. 21 Q. Okay. 22 A. It is in relation to the SAFT, the 23 Kik SAFT. 24 Q. Is this the, what does a SAFT stand 25 for?</p> <p style="text-align: center;">131</p>
<p>1 perhaps. 2 Q. Do you recall an MVP based around 3 digital stickers? 4 A. I remember, as I mentioned, stickers 5 as one of the use cases. 6 Q. Did you buy Kin, did you, was your 7 interest in buying Kin, you will recall the 8 interest in spending \$100,000. Was that in any 9 way tied to what Kik had decided for its MVP? 10 A. Tied? What do you mean by tied? 11 Q. Was your decision to invest \$100,000 12 in Kin informed at all by the MVP that Kik had 13 picked for Kin? 14 A. Not necessarily. That wouldn't 15 be -- my decision was based upon the quality of 16 the project. The quality of the people behind 17 it. And, the ability to deliver on it. 18 The MVP is one of many other 19 factors. 20 MR. MENDEL: I think we can go off 21 the record. 22 MR. CADIGAN: Okay. 23 THE VIDEOGRAPHER: We are going off 24 the record. The time is 12:54 p.m. 25 (Recess taken -- 12:54 p.m.)</p> <p style="text-align: center;">130</p>	<p>1 A. Simple Agreement For Future Tokens. 2 Q. And is this a SAFT that you entered 3 into? 4 A. That's correct. 5 Q. That is looking at it, that is your 6 signature that is on the last page, 3169? 7 A. Yes. 8 Q. And, Ted Livingston's signature is 9 also on that page, correct? 10 A. Yes. 11 Q. Looking on Page 2 of the SAFT with 12 Bates Numbers KPMGC-KIK-0003164. 13 A. Yes. 14 Q. This was entered into on or about 15 August 21st, 2017? 16 A. Yes. 17 Q. Okay. What are all of the different 18 reasons that you decided to enter into this SAFT? 19 A. That I supported the project, and I 20 believed it was a quality project that I was 21 supportive of. 22 Q. And which project are you referring 23 to? 24 A. The Kin project. The Kin. The Kin, 25 cryptocurrency.</p> <p style="text-align: center;">132</p>

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1 Q. And is it fair to say that one of
2 the reasons that you entered into this SAFT was
3 that you hoped to profit from an appreciation in
4 the value of Kin?
5 A. That is one of the reasons,
6 potentially, if they are successful. Only if
7 they are successful.
8 Q. And was it your understanding that
9 you were, through the SAFT you were buying the
10 Kin at a discounted price?
11 A. Now that you have put in front of me
12 I am seeing here a discounted. Yes, that's
13 correct.
14 Q. What are you looking at that is
15 telling you the discount?
16 A. It says discount rate of 70 percent.
17 Q. That is on Page 3 of the SAFT?
18 A. Page 3.
19 Q. Okay. So, essentially you are
20 getting 30 percent off the price in the public
21 offering, correct?
22 A. That is what it says, yes.
23 Q. Or the public sale. Is that -- it
24 says, "Discount under discount price means the
25 maximum price per token sold by the company to

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1 the public during the network launch multiplied
2 by the discount rate."
3 A. Yes.
4 Q. And what did you think the network
5 launch was?
6 A. Where is the reference to the
7 network launch?
8 Q. In the description of discount price
9 that I just read.
10 A. So, by the company -- the network
11 launch is the TDE, isn't it? It is the TDE.
12 Q. Is that your understanding, it is
13 the TDE?
14 A. Yes.
15 Q. Okay. Did the discount reflect a
16 profit opportunity for you?
17 A. No.
18 Q. By buying at a discount, were you
19 hoping that after the TDE, your Kin would be
20 valued higher than what you paid?
21 A. I didn't have real expectations of
22 that to be honest.
23 Again, I was supportive of the
24 project and I took a long-term view to my
25 investment. I was not looking to make a quick

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1 profit on it.
2 Q. Were you looking to make a profit
3 eventually, long-term if not short term?
4 A. Certainly not short term.
5 Potentially long-term if they were successful.
6 Q. When you entered into the SAFT, did
7 you think that the SAFT entitled you to receive
8 Kin during the token distribution event?
9 A. What do you mean during, during the
10 public sale?
11 Q. Correct. Did you think that by
12 entering into the SAFT, which you have here as
13 Exhibit 140 -- can we just clarify for the
14 record, we are looking at the SAFT has been
15 marked as Exhibit 140, correct?
16 A. Yes.
17 Q. Make sure I have that right. Thank
18 you. Was it your understanding that by entering
19 into the SAFT you were entitled to receive Kin at
20 the time of the token distribution event?
21 A. I think there is two parts to your
22 question. My position was to receive it. As to
23 the timing, I do not -- I don't recall there was
24 a timing as to when I would receive it. If it
25 was before or after.

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1 I don't recall the exact timing of
2 when I would receive it.
3 I remember that I would receive it
4 shortly after I signed this.
5 Q. If you look on Page 2, Bates
6 Number 3164.
7 A. Yes.
8 Q. And you look under 1, Events.
9 A. Yes.
10 Q. And it says under A, Network Launch,
11 "If there is a network launch before the
12 expiration or termination of this instrument, the
13 company will issue to the purchaser a number of
14 units of the token equal to the purchase amount
15 divided by the discount price pursuant to the
16 following schedule."
17 A. Okay.
18 Q. And then "50 percent shall be issued
19 as soon as practicable after the network launch."
20 A. Yes, after, yes. That's correct.
21 Q. "Provided that such issuance shall
22 be no later than the date on which such units of
23 token are distributed to the public and
24 50 percent shall be issued on a one year
25 anniversary of the network launch." Correct?

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1 A. That's correct.
 2 Q. What was your understanding of
 3 the -- so, let me restart.
 4 When you entered into the SAFT, what
 5 did you think had to happen in order to receive
 6 the Kin?
 7 A. That they would launch the --
 8 That they would do the network
 9 launch as it states there.
 10 Q. Anything else?
 11 A. According to this agreement that I
 12 signed that is what it states.
 13 Q. You are not aware of any other
 14 conditions sitting here, right?
 15 A. No.
 16 Q. And I have placed before you what
 17 has been marked as Deposition Exhibit 16,
 18 correct?
 19 (Previously marked Exhibit
 20 Number 16, first referral.)
 21 THE WITNESS: Yes.
 22 BY MR. MENDEL:
 23 Q. Do you recognize Exhibit 16?
 24 A. Yes.
 25 Q. What is that?

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1 A. It is a Placement Memorandum,
 2 Placement Offering Memorandum.
 3 Q. Did you receive this before you
 4 signed this SAFT?
 5 A. Yes.
 6 Q. Did you read it?
 7 A. Yes.
 8 Q. If you turn to Page 43.
 9 A. Yes.
 10 Q. There is a section on the bottom
 11 called Initial Launch of Kin and Kin Ecosystem.
 12 A. Uh-huh.
 13 Q. And, can you read the description to
 14 yourself there?
 15 A. The first paragraph you mean? At
 16 the time of.
 17 Q. You don't need to read it out loud.
 18 Read it to yourself and let me know when you have
 19 read the first paragraph.
 20 A. Okay.
 21 Q. Does this refresh your memory as to
 22 what the minimum viable product was that Kik
 23 chose?
 24 A. As described here, yes.
 25 Q. Okay. And what, as described here,

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1 what essentially was it?
 2 A. That the users would be able to
 3 create a wallet. And that they would see the
 4 balance and receive or send or receive stickers.
 5 Q. Did you access stickers?
 6 A. I don't remember if I personally did
 7 that. I don't remember if I did that.
 8 Q. You didn't buy Kin to invest in, or
 9 to access the stickers, did you?
 10 A. No.
 11 Q. Okay. We can turn that one over.
 12 (Whereupon, Exhibit 141
 13 was marked for identification.)
 14 BY MR. MENDEL:
 15 Q. I have given you what has been
 16 marked as Deposition Exhibit 141.
 17 A. Uh-huh.
 18 Q. This is an e-mail chain. At the top
 19 it is an e-mail exchange between Tanner Philp,
 20 and you. He wrote to you on September 6, 2017.
 21 Is that right?
 22 A. Yes.
 23 Q. If you want to take a minute and
 24 look at this.
 25 A. Okay. Okay.

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1 Q. So, I want to start on the page
 2 marked 878.
 3 A. Okay.
 4 Q. And this is a, an e-mail that seems
 5 to have been written by Tanner Philp to you. Do
 6 you see that on August 30th?
 7 A. Hey William, yes.
 8 Q. Yes, and this basically asked you
 9 for your Canadian address, right, for his
 10 paperwork; is that right?
 11 A. Yes.
 12 Q. He writes at the end of that
 13 paragraph --
 14 A. Yes, yes, sure.
 15 Q. Okay. And he says, "Additionally
 16 here is the e-mail on next steps I have been
 17 sending to all of the presale investors. There
 18 are a couple of action items here, in there. If
 19 you are able to execute by September 5th, that
 20 would be great."
 21 A. Okay.
 22 Q. Do you follow?
 23 A. Yes.
 24 Q. And then below that he includes
 25 something called Sale Metrics. Do you see that?

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<p>1 A. Yes.</p> <p>2 Q. And it says total cap at 125 million</p> <p>3 with presale amount and a public sale amount.</p> <p>4 A. Yes.</p> <p>5 Q. And this is consistent with your</p> <p>6 understanding of how the sale would operate,</p> <p>7 correct?</p> <p>8 A. Yes.</p> <p>9 Q. If you keep looking, this same</p> <p>10 e-mail has a Notice of a Preregistration Now</p> <p>11 Open. Do you see that?</p> <p>12 A. Under Structure?</p> <p>13 Q. Yes, under Structure.</p> <p>14 A. Yes.</p> <p>15 Q. Do you know what the preregistration</p> <p>16 was?</p> <p>17 A. My understanding is that it is like</p> <p>18 putting your name down for something.</p> <p>19 Q. For participation in?</p> <p>20 A. In the, in the public sale.</p> <p>21 Q. Did you preregister?</p> <p>22 A. No, I think this is relating to the</p> <p>23 public sale, it is not, that is my understanding.</p> <p>24 My involvement was doing the SAFT.</p> <p>25 I was part of the SAFT. Not, I did not</p> <p style="text-align: center;">141</p>	<p>1 to collect the ETH address and info for KYC.</p> <p>2 "Don't worry about the amount field,</p> <p>3 you can put 100,000." Right?</p> <p>4 A. Oh, I see. Okay. Okay.</p> <p>5 Q. So, did you understand that you were</p> <p>6 using the same portal for the public sale, even</p> <p>7 though you were a private sale participant?</p> <p>8 A. Now that you are refreshing my</p> <p>9 memory, it sounds right.</p> <p>10 Q. Okay. And then you responded on</p> <p>11 September 5th. "I just submitted the Kin form</p> <p>12 and received the e-mail confirmation back."</p> <p>13 Right?</p> <p>14 A. Yes. Yes.</p> <p>15 Q. Okay.</p> <p>16 A. Yes, that is correct. I just said</p> <p>17 the wallet address, correct.</p> <p>18 Q. That is all we have for that. Thank</p> <p>19 you. Are you familiar with the Ontario</p> <p>20 Securities Commission?</p> <p>21 A. Yes.</p> <p>22 Q. It is the OSC?</p> <p>23 A. Yes.</p> <p>24 Q. In 2017 did you know people at the</p> <p>25 OSC?</p> <p style="text-align: center;">143</p>
<p>1 participate in the public sale.</p> <p>2 Q. If you turn back to Page 877, this</p> <p>3 is the first page. You have responded at the</p> <p>4 bottom of the page and this is on August 30th,</p> <p>5 2017, you wrote, "The form that you link to is</p> <p>6 the public sale form. That is the one to use for</p> <p>7 presales, too." Were you -- is it, is that what</p> <p>8 you wrote?</p> <p>9 A. Yes, I was seeking clarification,</p> <p>10 yes.</p> <p>11 Q. Were you confused by why he was</p> <p>12 sending this to you? Why Mr. Philp was sending</p> <p>13 it to you?</p> <p>14 As you just said, you were a</p> <p>15 participant in the presale and he was sending you</p> <p>16 a form for the public sale?</p> <p>17 A. Not confused, I was inquiring.</p> <p>18 Q. Okay. You were just asking why he</p> <p>19 was sending it to you.</p> <p>20 A. Clarification.</p> <p>21 Q. And then he wrote to you, or</p> <p>22 responded to you, also on August 30th, in part</p> <p>23 "There are only a couple of pre-sale</p> <p>24 participants, as individuals, so we are just</p> <p>25 getting you guys to register in the same portal</p> <p style="text-align: center;">142</p>	<p>1 A. I knew them not -- yes, I knew some</p> <p>2 of them.</p> <p>3 Q. How did you know them?</p> <p>4 A. At one point I was making a lecture</p> <p>5 at an event in Cambridge, Ontario, and Pat, Pat</p> <p>6 Chaukos from the OSC was there. I was introduced</p> <p>7 to her. Another time I was introduced to</p> <p>8 Maureen, I'm sorry her last name escapes me now.</p> <p>9 She is the chair of the OSC.</p> <p>10 And then I attended an event they</p> <p>11 had organized, a fin-tech event. I was a</p> <p>12 participant. I was in the audience; I wasn't</p> <p>13 presenting. And the number of them were there.</p> <p>14 And at one point I sent three copies</p> <p>15 of my book to Maureen and her staff as a gesture.</p> <p>16 Q. When was it that you saw Maureen,</p> <p>17 when was the event at which you saw her?</p> <p>18 A. That was their fin-tech event. I'm</p> <p>19 trying to think now. I'm trying to think. I</p> <p>20 don't remember. I think it was in '17. They put</p> <p>21 together an event.</p> <p>22 Q. You are not really sure?</p> <p>23 A. I'm not sure when exactly.</p> <p>24 Q. What about Pat Chaukos, when did you</p> <p>25 see her?</p> <p style="text-align: center;">144</p>

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1 A. Well, January '17, that is when I
2 did my -- January or February of '17, that is
3 when I was talking to a group of some kind of
4 small conference somewhere in Cambridge.
5 So, it was January or February. I
6 think they ran their event probably around April
7 or May. April, maybe, yes, April of '17. It was
8 around the time where they announced the fin-tech
9 hub.
10 Q. And when you say they, are you --
11 A. OSC, OSC.
12 Q. How many times did you meet Pat
13 Chaukos?
14 A. I didn't really meet her. I mean
15 she was at the event that I was at, the second
16 time. So, counting the first time and second
17 time, twice I was in the same vicinity as she
18 was.
19 Q. The second time, the second time
20 being the fin-tech event?
21 A. Correct.
22 Q. And that was in approximately --
23 A. I think March or April of '17.
24 Q. Did you --
25 Have you ever seen Pat Chaukos after

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1 that?
2 A. No.
3 Q. In the summer of 2017 did you obtain
4 information that the OSC was aware of Kik's plans
5 for Kin?
6 A. That is correct. Yes.
7 Q. How did you get that information?
8 A. Via a discussion with someone I knew
9 that had passed on that information to me.
10 Q. Who was that?
11 A. His name is Alan Munsche,
12 M-U-N-S-C-H-E.
13 Q. When was that conversation?
14 A. Probably in the, I want to say
15 June/July time frame.
16 Q. Where were you when you had this
17 conversation?
18 A. I don't remember where I was. But I
19 remember it would have been on the phone. It
20 would have been on the phone. I was probably in
21 Toronto.
22 Q. What does Mr. Munsche do?
23 A. He runs a project called Token
24 Market, Token Funder, sorry. Token Funder. And
25 he was in discussions with the OSC to get some

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1 kinds of approvals. And it was my understanding
2 he was close to Pat.
3 Q. Just to clarify, Mr. Munsche was
4 seeking approvals for a project different than
5 Kin, correct?
6 A. Correct.
7 Q. And so what did Mr. Munsche say to
8 you about the OSC and Kin?
9 A. Mr. Munsche wanted me to become an
10 advisor to his project. And over some
11 discussions he told me, he knew that I was
12 involved with Kin, and he told me that the OSC is
13 not fully aware of what Kin is doing and they
14 feel they are in the dark about it.
15 And that they may not be happy about
16 what Kin is doing. And that is the extent of it.
17 Q. He, Mr. Munsche said that he
18 believed that the OSC felt it was in the dark.
19 Is that what he was saying?
20 A. Yes.
21 Q. And how did Mr. Munsche come about
22 that information that he passed on to you?
23 A. He didn't tell me. He didn't tell
24 me. It was, he was giving me feedback basically.
25 Q. But it is your understanding that he

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1 had been in communication with the OSC about his
2 project?
3 A. Yes.
4 Q. And it was Mr. Munsche who told you
5 that it was his understanding that the OSC was
6 not very happy about Kin?
7 A. Those were his words, yes.
8 Q. And then, was that the only
9 conversation with Mr. Munsche you had about the
10 OSC and Kin?
11 A. That's correct, yes.
12 Q. And after you got that information
13 from Mr. Munsche, what did you do with it?
14 A. I relayed to Kik.
15 Q. Who at Kik did you relay it to?
16 A. I think it was in an e-mail.
17 Probably Ted for sure, Ted and maybe Tanner, I'm
18 not sure. But there was an e-mail there where I
19 have told him.
20 Q. Did you recommend any additional
21 steps that Kik should take with respect to the
22 OSC?
23 A. If I recall, I kind of was asking
24 them would it make sense for you to go and tell
25 them what you are doing and that started the

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<p>1 conversation.</p> <p>2 Q. Did you have additional</p> <p>3 conversations with Kik about that issue about</p> <p>4 whether to approach the OSC?</p> <p>5 A. I don't recall. I think at that</p> <p>6 time they took it themselves and they talked with</p> <p>7 counsel, their counsel to kind of take it</p> <p>8 forward.</p> <p>9 I was not in the loop at that time,</p> <p>10 after that.</p> <p>11 Q. Did you offer any advice about what</p> <p>12 Kik should say to the OSC?</p> <p>13 A. I reviewed the draft of the letter</p> <p>14 they were going to send to the OSC in</p> <p>15 anticipation to meeting them.</p> <p>16 Q. And what did you do after you</p> <p>17 reviewed the letter?</p> <p>18 A. I think there was an e-mail where I</p> <p>19 made comments and that was the end of it.</p> <p>20 Q. And who was that letter, who was</p> <p>21 that e-mail to? Did you write?</p> <p>22 A. I don't remember. It was, I'm not</p> <p>23 sure if -- where it came from. If it came from</p> <p>24 Ted or from counsel. It may have come from --</p> <p>25 I'm not sure. But there was an e-mail. There</p> <p style="text-align: center;">149</p>	<p>1 Q. Mr. Mougayar, I have provided you</p> <p>2 with what has been marked as Deposition</p> <p>3 Exhibit 142.</p> <p>4 A. Uh-huh.</p> <p>5 Q. This is an e-mail chain. And the</p> <p>6 top e-mail on the first page is from you to Peter</p> <p>7 Heinke on July 7th, 2017. Is that right?</p> <p>8 A. Yes.</p> <p>9 Q. Now as of this date July 7, 2017,</p> <p>10 you still have not come to any agreement on your</p> <p>11 consulting engagement with Kik. Is that right?</p> <p>12 A. Not -- to be accurate, formal</p> <p>13 agreement, yes, correct.</p> <p>14 Q. You hadn't agreed on how much you</p> <p>15 would be paid or in what form, correct?</p> <p>16 A. It sounds about right if -- yes.</p> <p>17 Q. I mean based on the e-mails we have</p> <p>18 reviewed this morning, correct?</p> <p>19 A. The chronology is in the e-mail so</p> <p>20 that is clear. It seems like we were still back</p> <p>21 and forth, yes.</p> <p>22 Q. Okay. And then if we flip to the</p> <p>23 back of this exhibit, Exhibit 142, I'm just</p> <p>24 looking at this first e-mail in the chain. It</p> <p>25 says there is an e-mail written on Thursday</p> <p style="text-align: center;">151</p>
<p>1 was an e-mail about.</p> <p>2 Q. What did you say in the e-mail?</p> <p>3 MR. CADIGAN: Objection. I will</p> <p>4 instruct you not to answer in any</p> <p>5 communication that you had with Kik counsel.</p> <p>6 THE WITNESS: Yes, it may have been</p> <p>7 privileged, too.</p> <p>8 MR. CADIGAN: I mean to the extent</p> <p>9 that you know that it wasn't to Kik counsel,</p> <p>10 feel free to answer.</p> <p>11 THE WITNESS: No, Kik counsel was</p> <p>12 quite involved in that letter.</p> <p>13 MR. CADIGAN: Then I instruct you</p> <p>14 not to answer.</p> <p>15 THE WITNESS: 100 percent.</p> <p>16 BY MR. MENDEL:</p> <p>17 Q. Are you going to follow the</p> <p>18 instruction of Kik's counsel?</p> <p>19 A. That's correct, yes.</p> <p>20 Q. Did you talk to anyone directly at</p> <p>21 the OSC about Kik or Kin?</p> <p>22 A. No.</p> <p>23 (Whereupon, Exhibit 142</p> <p>24 was marked for identification.)</p> <p>25 BY MR. MENDEL:</p> <p style="text-align: center;">150</p>	<p>1 July 6, 2017.</p> <p>2 A. What page, sorry, are you looking</p> <p>3 at?</p> <p>4 Q. It is on page ending in 1219.</p> <p>5 A. Yes.</p> <p>6 Q. Are you with me?</p> <p>7 A. Yes.</p> <p>8 Q. And this is from Ross McKee,</p> <p>9 correct?</p> <p>10 A. Yes.</p> <p>11 Q. And Ross McKee who is initiating the</p> <p>12 e-mail?</p> <p>13 A. Yes.</p> <p>14 Q. What did Mr. McKee -- well, you will</p> <p>15 see that it has been redacted for privilege.</p> <p>16 A. Uh-huh.</p> <p>17 Q. And for the record I will just ask</p> <p>18 you what did Mr. McKee say to you in this e-mail?</p> <p>19 MR. CADIGAN: Objection, instruct</p> <p>20 you not to answer.</p> <p>21 THE WITNESS: It says it is redacted</p> <p>22 for privilege.</p> <p>23 BY MR. MENDEL:</p> <p>24 Q. Right. And, so, Kik's counsel has</p> <p>25 instructed. I asked you what is in the</p> <p style="text-align: center;">152</p>

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1 privileged section. And Kik's counsel instructed
2 you not to answer. And you will follow that
3 instruction?
4 **A.** That's correct. I do.
5 **Q.** Was this the e-mail providing you
6 with a draft letter to the OSC, do you know? Or
7 is it something different?
8 **A.** It appears to be, yes.
9 **Q.** How do you know?
10 **A.** OSC comment. The subject is OSC
11 comment.
12 **Q.** You responded to Mr. McKee, right?
13 On July 7th, 2017?
14 **A.** July 6th.
15 **Q.** So, I'm looking at page ending
16 in 1218.
17 **A.** Okay.
18 **Q.** Do you follow?
19 **A.** Yes.
20 **Q.** And in the bottom there is, it seems
21 like you are responding on July 7th at
22 12:21 a.m.?
23 **A.** Okay.
24 **Q.** Do you see that?
25 **A.** Yes.

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1 **Q.** And on the cc: line are Peter Heinke
2 Nancy Wojtas and Ted Livingston.
3 **A.** Okay.
4 **Q.** And Mr. Heinke is the CFO from Kik,
5 correct?
6 **A.** Yes.
7 **Q.** And who is Nancy Wojtas?
8 **A.** The counsel at Cooley.
9 **Q.** Okay. And then the substance of
10 what you are responding is redacted for
11 privilege.
12 **A.** Yes.
13 **Q.** What is it that you wrote back to
14 this group?
15 **MR. CADIGAN:** I'm instructing him
16 not to answer.
17 **THE WITNESS:** It is privileged, yes.
18 I cannot answer.
19 **BY MR. MENDEL:**
20 **Q.** And you will follow the instruction
21 of Kik's counsel?
22 **A.** That's correct.
23 **Q.** And then, I'm just going to
24 summarize the exchanges through the rest of the
25 e-mail. There is a July 7th, 2017 e-mail from

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1 Mr. McKee back to you, it appears back to you at
2 10:25 a.m., correct?
3 **A.** On Page 12 -- what page?
4 **Q.** 1217.
5 **A.** Okay.
6 **Q.** And then at 11:27 a.m. on July 7th,
7 there is a response from you to Ross McKee
8 copying Mr. Heinke, Ms. Wojtas and Ted
9 Livingston, right?
10 **A.** Yes.
11 **Q.** And, then there is a response from
12 Mr. McKee at, on Friday, July 7th, 2017, at
13 1:44 p.m., correct?
14 **A.** Uh-huh.
15 **Q.** A response from you to that,
16 at 4:42 p.m. on July 7th to Mr. McKee, again
17 Heinke, Wojtas, and Livingston, right?
18 **A.** Okay.
19 **Q.** And then Mr. Heinke responds, now
20 I'm on the front page of the exhibit, on July 7th
21 at 4:49 p.m., correct?
22 **A.** Yes.
23 **Q.** And then Mr. McKee responds at
24 4:53 p.m. on July 7th, right?
25 **A.** Yes.

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1 **Q.** And all of those communications I
2 just summarized, they are all redacted for
3 privilege, right?
4 **A.** Uh-huh, yes.
5 **Q.** And, for the record I will ask you
6 what was discussed in these e-mails back and
7 forth?
8 **MR. CADIGAN:** And I instruct you not
9 to answer that.
10 **THE WITNESS:** Yeah, I cannot answer
11 that.
12 **BY MR. MENDEL:**
13 **Q.** Because it is privileged?
14 **A.** Privileged.
15 **MR. CADIGAN:** Privileged.
16 **BY MR. MENDEL:**
17 **Q.** On the basis of privilege -- what
18 privilege are you asserting?
19 **MR. CADIGAN:** On the grounds that it
20 directly gets at attorney client privilege as
21 reflected in the document itself.
22 **BY MR. MENDEL:**
23 **Q.** And are you going to follow that
24 instruction?
25 **A.** I am following that, yes.

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<p>1 Q. Then there is actually an additional 2 short exchange from you at 4:57 p.m., correct? 3 Redacted for privilege? And you are not going to 4 explain what that is either, under instruction? 5 A. It is the same, yes. 6 Q. Okay. And then after that there is 7 a short exchange between you and Mr. Heinke and 8 then you called and talked to Mr. Heinke? 9 Was it just Mr. Heinke on the phone? 10 A. I don't remember. That was too far 11 back. 12 Q. What did you -- 13 A. Probably, because he said call me, 14 so ... 15 Q. What did you talk to Mr. Heinke 16 about? 17 A. I truly don't remember going back 18 far back. It was probably related to this 19 exchange. 20 Q. You don't have any separate memory 21 of what you discussed with Mr. Heinke? 22 A. Not specifically. Specifically not. 23 I'm sure it was related to the OSC to the subject 24 of this communication. 25 Q. I will take that, thank you.</p> <p style="text-align: center;">157</p>	<p>1 Q. Is it fair to say that you were 2 tracking which ICOs the OSC was approving at this 3 time? 4 A. No, that is not correct. I wasn't 5 tracking them. 6 Q. How did you notice? 7 A. I just happen. I know the founder 8 of UCASH, and via conversation with him this came 9 up that he told me he had went, he had gone to 10 see them. And all I know is that they were okay, 11 they were comfortable with what he was doing. 12 That is it. That is exactly what I said there. 13 There is nothing really more to it that I knew. 14 I was just relaying the message. That is it. 15 Q. Okay. What other information did 16 you have about the Kik's efforts to approach the 17 OSC in 2017? 18 MR. CADIGAN: Again, I'm going to 19 instruct you not to answer to the extent that 20 it implicates the attorney/client privilege. 21 But, otherwise you may answer. 22 THE WITNESS: I mean generally 23 speaking all I knew is that they went to see 24 them. I wasn't part of the meeting. And 25 that is the extent of it.</p> <p style="text-align: center;">159</p>
<p>1 MR. MENDEL: What number are we on? 2 THE WITNESS: 143. 3 Q. Thank you. 4 (Whereupon, Exhibit 143 5 was marked for identification.) 6 Q. So, Mr. Mougayar, Deposition 7 Exhibit 143 which I have just given you, it is at 8 the top an e-mail from you to Peter Heinke on 9 August 11th, 2017. Do you see that? 10 A. Yes. 11 Q. And this is responding to an e-mail 12 that Mr. Heinke had sent to you on August 11th, 13 2017, a little bit earlier. 14 Do you see that? 15 A. Yes. 16 Q. And he asks you what was the name of 17 the ICO that the OSC looked at and felt 18 comfortable with. I believe it was a 19 loyalty-based program. 20 A. Yes. 21 Q. And you gave him an answer, right? 22 A. Uh-huh. 23 Q. And so it says, "So said the 24 founder." 25 A. Yes.</p> <p style="text-align: center;">158</p>	<p>1 BY MR. MENDEL: 2 Q. Do you know what resulted from the 3 meeting? 4 A. I wasn't privy to that. 5 Q. Are you aware that Kik decided not 6 to make its token distribution event available in 7 Canada? 8 A. That's correct. Subsequently I 9 learned about that. 10 Q. How did you learn about that? 11 A. I don't remember how I, I think they 12 made it clear to everybody. Ted may have written 13 a post, Ted Livingston. 14 Q. That is how you learned about it? 15 A. I don't remember if I knew about it 16 before he wrote the post or whether I learned 17 about it when he wrote the post. But it was 18 around that time frame. 19 Q. I'll take that one back, thank you. 20 Was there a conference in 21 August 2017 known as the FinTech Canada Bitcoin 22 Ethereum Summit? 23 A. Yes, it wasn't a conference. It was 24 an event, I would say. 25 Q. What do you know about that event?</p> <p style="text-align: center;">160</p>

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1 Could you describe it?
 2 **A.** It was a meet up. It was one of the
 3 regular meet ups that was organized in Toronto
 4 about blockchain. And that was one of the dates
 5 that the meet up occurred on.
 6 **Q.** How is a meet up different than a
 7 conference there in your view?
 8 **A.** The length of it. The length.
 9 **Q.** What is the length of a meet up
 10 versus a conference?
 11 **A.** I think this was like a 3, or 3-hour
 12 event perhaps. 3 or 4-hour event. So you
 13 couldn't call it a conference. Maybe the
 14 organizers called it a conference.
 15 **Q.** Okay. How many people attended --
 16 can we call this the FinTech Summit for short?
 17 **A.** Okay.
 18 **Q.** And do you know when in August of
 19 2017 it occurred?
 20 **A.** When in August, I thought you
 21 mentioned the date.
 22 **Q.** The date.
 23 **A.** You said 17th.
 24 **Q.** August 14th?
 25 **A.** Around that time in August.

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1 **Q.** Around mid-August?
 2 **A.** Yes.
 3 **Q.** Okay. And did you attend the whole
 4 FinTech summit?
 5 **A.** I don't think I attended the whole
 6 thing. I believe, is this the one where Ted and
 7 I were on the stage?
 8 **Q.** That is what I am getting to?
 9 **A.** Yes, I was on the stage with Ted.
 10 **Q.** Yes.
 11 **A.** It was an after 6 o'clock event, I
 12 think.
 13 **Q.** It was an evening event?
 14 **A.** I think so. I recall it was, I
 15 think I recall it was an evening event. I mean
 16 it is all documented, the time. And I think it
 17 was an evening event.
 18 **Q.** Was it open to the public or did you
 19 need to buy tickets?
 20 **A.** It was open to the public to
 21 register.
 22 **Q.** Do you remember if you had to pay
 23 anything?
 24 **A.** I don't remember because at one
 25 point the organizers were, it was free at one

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1 point they were charging \$10, 15.
 2 So, I don't remember that particular
 3 one. They were very popular, so it may have been
 4 over, it was a packed room, I remember that.
 5 **Q.** So, I'm giving you back what was
 6 marked as Deposition Exhibit 132. Do you see it?
 7 **A.** Yes.
 8 **Q.** This is the one where you were
 9 talking about in part about your agreement with
 10 Kik to be an advisor.
 11 **A.** Uh-huh.
 12 **Q.** And, at the very back of this is an
 13 e-mail from you to Peter Heinke on August 10th.
 14 "By the way I am doing a Fireside
 15 Chat with Ted on Monday evening at Mars. Are you
 16 coming, too?" Is this in anticipation of the
 17 FinTech Summit?
 18 **A.** That was that event you were talking
 19 about.
 20 **Q.** What is Mars?
 21 **A.** M-A-R-S, it is the name of the
 22 building, or of the -- of the location. It
 23 stands for --
 24 **Q.** That is okay.
 25 **A.** It is a government, semi-government.

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1 **Q.** It is in Toronto?
 2 **A.** In Toronto, yes. It is like a
 3 complex.
 4 **Q.** And then he responded on
 5 August 10th, "Yes, I will be there. I'm not sure
 6 if I have a ticket for the auditorium or not."
 7 **A.** Okay.
 8 **Q.** You needed like a ticket for the
 9 auditorium?
 10 **A.** I mean to get in, that is what he
 11 meant.
 12 **Q.** And then you responded more about to
 13 him about the ticket, obtaining a ticket, right?
 14 **A.** Yes.
 15 **Q.** How would you describe the audience
 16 there?
 17 **A.** Mix of entrepreneurs, a lot of
 18 entrepreneurs mostly.
 19 **Q.** Was it a similar mix to the Token
 20 Summit that you held in New York City?
 21 **A.** Maybe. Maybe.
 22 **Q.** Would there have been some potential
 23 investors or VC types?
 24 **A.** Some, yes. Not a lot. Same with my
 25 event, there was not a lot.

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<p>1 Q. How do you know that?</p> <p>2 A. Because I have the statistics.</p> <p>3 Q. You do? What statistics do you keep</p> <p>4 on that?</p> <p>5 A. You mean on my attendance?</p> <p>6 Q. Well, on the types of people who</p> <p>7 attended?</p> <p>8 A. At my Summit.</p> <p>9 Q. Let me start with the FinTech</p> <p>10 Summit. Approximately how many people attended,</p> <p>11 do you know?</p> <p>12 A. Ballparking it may be 400, 3, 400.</p> <p>13 Q. Okay. That is your estimation. You</p> <p>14 don't have statistics on it, though, right?</p> <p>15 A. No.</p> <p>16 Q. But you have statistics on your</p> <p>17 Token Summit who attended in May of 2017?</p> <p>18 A. I had them, yes.</p> <p>19 Q. Do you have them still?</p> <p>20 A. I have to get to them.</p> <p>21 Q. How are they kept?</p> <p>22 A. I have to go to my records and see</p> <p>23 if I, what would you, what are you looking for?</p> <p>24 Q. Well I guess my question is do you</p> <p>25 distinguish, do your statistics keep track of</p> <p style="text-align: center;">165</p>	<p>1 what each person's motivation at the conference</p> <p>2 was for attending?</p> <p>3 MR. CRIMMINS: Objection.</p> <p>4 MR. CADIGAN: Objection.</p> <p>5 MR. CRIMMINS: You can answer.</p> <p>6 THE WITNESS: I cannot, no, I don't</p> <p>7 know what each person is thinking. But the</p> <p>8 focus of the conference is the usage of the</p> <p>9 token.</p> <p>10 BY MR. MENDEL:</p> <p>11 Q. And when you say the focus, was that</p> <p>12 your focus on the conference?</p> <p>13 A. I run the program so I know what to</p> <p>14 put in the program. It is the innovation</p> <p>15 potential of the token.</p> <p>16 Q. Do your statistics that you keep for</p> <p>17 the Token Summit, do they reflect a reason for</p> <p>18 attending?</p> <p>19 A. No.</p> <p>20 (Whereupon, Exhibit 144</p> <p>21 was marked for identification.)</p> <p>22 BY MR. MENDEL:</p> <p>23 Q. So, I'm providing you with what has</p> <p>24 been marked Deposition Exhibit 144.</p> <p>25 A. Uh-huh.</p> <p style="text-align: center;">167</p>
<p>1 what types of attendees there were?</p> <p>2 A. I have to, yeah, I have to see if I</p> <p>3 if the job, if the description was in the</p> <p>4 database or not.</p> <p>5 Q. Do you have any basis, I mean is</p> <p>6 your testimony today that like the investor VC</p> <p>7 component was limited?</p> <p>8 A. Yes.</p> <p>9 Q. And what are you basing that on?</p> <p>10 A. I know by the audience. I know who</p> <p>11 was in the audience.</p> <p>12 The intent of our conference is</p> <p>13 really the usage of the token, not the, it is not</p> <p>14 the financial, it is not an investment</p> <p>15 conference.</p> <p>16 It is a technology conference</p> <p>17 usage-wise.</p> <p>18 Q. Do you know what each person at the</p> <p>19 conference wanted to do?</p> <p>20 Do you know whether or not each</p> <p>21 person at the conference was interested in buying</p> <p>22 Kin to, for investment purpose?</p> <p>23 MR. CADIGAN: Objection.</p> <p>24 BY MR. MENDEL:</p> <p>25 Q. Do you have any understanding of</p> <p style="text-align: center;">166</p>	<p>1 Q. And I will just tell you this is a</p> <p>2 compilation of different website pages that the</p> <p>3 SEC captured or located.</p> <p>4 A. Okay.</p> <p>5 Q. And you will see on the front there</p> <p>6 is a, it is, it has the Page Number 274. Right?</p> <p>7 Are you with me on the first page of the exhibit?</p> <p>8 A. Yes.</p> <p>9 Q. And is that a stage of the FinTech</p> <p>10 Summit?</p> <p>11 A. It seems like it. I can't, it says</p> <p>12 that, right, FinTech Canada. What is the-date.</p> <p>13 Q. If you go to the next page it should</p> <p>14 be a little bit clearer.</p> <p>15 A. Oh, the color one?</p> <p>16 Q. Yes, it is a color one. It just</p> <p>17 doesn't have the Bates number on it?</p> <p>18 A. It looks like it is the MARS for</p> <p>19 sure. Canada. There is no date, though, oh here</p> <p>20 it is. August, okay.</p> <p>21 Q. August 14th; is that right?</p> <p>22 A. Okay, that is it.</p> <p>23 Q. This looks like the stage you were</p> <p>24 on, right?</p> <p>25 A. Yes.</p> <p style="text-align: center;">168</p>

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1 Q. And then if you flip through
2 Page 302 is the next one and then behind that is
3 a color version of that?
4 A. Yes.
5 Q. Do you see that?
6 A. Yes.
7 Q. Same stage, different, it says
8 Part 2 of 2 of the FinTech Canada.
9 A. Okay.
10 Q. And then finally there is Page 295.
11 A. Uh-huh.
12 Q. It is a different website. This
13 says ABC on it. Do you know what the ABC website
14 is?
15 A. Yes.
16 Q. What is it?
17 A. It is the blog of Fred Wilson.
18 Q. Okay. And on the back there is a
19 picture of you and Mr. Livingston, right?
20 A. Yes.
21 Q. Okay. And then, on the, going back
22 to the first couple of pages, is it your
23 understanding that the discussion was a broadcast
24 on YouTube? Do you see that insignia on YouTube?
25 A. I was recorded. I don't know if it

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1 was broadcasted at the time. Is that what you
2 meant?
3 Q. It was recorded. Is it your
4 understanding that this was posted on YouTube?
5 A. Yes, later.
6 Q. Later. Do you know when?
7 A. I don't know. That was for the
8 organizers, not me.
9 MR. MENDEL: I think we have to go
10 off the record to change the tape.
11 THE VIDEOGRAPHER: Please stand by.
12 We are going off the record. This is the end
13 of Media Unit Number 2. The time is
14 2:48 p.m.
15 (Whereupon, a discussion off the
16 record took place.)
17 THE VIDEOGRAPHER: We are back on
18 the record. This is the beginning of Media
19 Unit Number 3. The time is 2:50 p.m.
20 (Whereupon, Exhibit 145
21 was marked for identification.)
22 BY MR. MENDEL:
23 Q. We are back on the record,
24 Mr. Mougayar.
25 A. Yes.

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1 Q. I have just handed you what has been
2 marked as Deposition Exhibit 145.
3 A. Okay.
4 Q. Just like for the other transcript I
5 provided you earlier --
6 A. Yes.
7 Q. We took the recording that we found
8 on the internet of the event.
9 A. Yes.
10 Q. And we transcribed it. And I just
11 had some questions for you about the transcript.
12 Let's go to, well, this transcript
13 identifies you as Mr. Mougayar, right? It is not
14 male speaker; you actually have a name in this
15 one.
16 A. I wasn't part of this. What page
17 are you --
18 Q. Okay, well, I'm looking at Page 2.
19 A. Page 2 of the small, in the squares?
20 Q. Let me look at your exhibit.
21 So, I have to correct the record. I
22 did not just hand you a transcript of the
23 August 14th FinTech event. So, I'm just going to
24 put this aside for now.
25 Okay. And, counsel can just

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1 disregard what I handed out.
2 A. Okay.
3 Q. Do you recall stating at the FinTech
4 Summit whether you were an investor in Kin or
5 not?
6 A. I think I did. I'm not -- I think I
7 did.
8 Q. Okay.
9 (Whereupon, Exhibit 146
10 was marked for identification.)
11 BY MR. MENDEL:
12 Q. I'm handing you what has been marked
13 as Deposition Exhibit 146.
14 A. Yes.
15 Q. And this is a, an e-mail chain with
16 Mr., an e-mail between Mr. Livingston and
17 Mr. Heinke at the top.
18 A. Uh-huh.
19 Q. Dated September 7th, 2017. Is that
20 what you are seeing?
21 A. Yes.
22 Q. Okay. And directly below that, also
23 on September 7th, there is an e-mail from you.
24 It looks like it is to, you are forwarding it to
25 Mr. Livingston; is that right?

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<p>1 A. Uh-huh, yes.</p> <p>2 Q. And starting at the bottom it looks</p> <p>3 like on September 7th, 2017, you had received an</p> <p>4 e-mail from an individual by the name of Vitalik</p> <p>5 Demin.</p> <p>6 A. Okay.</p> <p>7 Q. And it says, "Sir, I sent you a</p> <p>8 message on Telegram. But I'm not sure how often</p> <p>9 you check in.</p> <p>10 "I just wanted to let you know that</p> <p>11 I was very excited to watch your Fireside Chat</p> <p>12 with Ted and also to find out that you are an</p> <p>13 investor.</p> <p>14 "I was planning to invest in Kin and</p> <p>15 that video made me even more confident."</p> <p>16 Do you follow?</p> <p>17 A. Yes.</p> <p>18 Q. Do you know what Fireside Chat he is</p> <p>19 talking about?</p> <p>20 A. I am assuming it was -- no, it could</p> <p>21 have been the one in , it could have been the one</p> <p>22 in August in Toronto. It is tough to tell.</p> <p>23 Q. But, you did the FinTech Summit?</p> <p>24 A. It would have been August, because</p> <p>25 he said I am an investor, yes. Correct. It</p> <p style="text-align: center;">173</p>	<p>1 saying?</p> <p>2 A. What it says. I mean, I didn't, I</p> <p>3 don't believe I responded. I get lots of e-mails</p> <p>4 from people I don't know. So ...</p> <p>5 Q. Did you understand him to say that</p> <p>6 he was planning to buy in Kin's public sale when</p> <p>7 it went up?</p> <p>8 A. Yeah, it says I was planning to</p> <p>9 invest in Kin. So, that is, I did not interact</p> <p>10 with this person further, so I could not clarify</p> <p>11 this for you.</p> <p>12 Q. Oh, I know you are not Mr. Demin.</p> <p>13 But I'm just asking you what your understanding,</p> <p>14 did you have any understanding at all about what</p> <p>15 he was saying when he said I was planning to</p> <p>16 invest in Kin?</p> <p>17 Did you think he was going to buy</p> <p>18 Kin or he was planning on buying Kin?</p> <p>19 A. It could be that. It could be he</p> <p>20 wanted to develop, be a developer on Kin. It</p> <p>21 could be, it could be doing it later. There is</p> <p>22 no time element.</p> <p>23 So, I, it is tough to speculate. I</p> <p>24 don't know what he was thinking.</p> <p>25 Q. Did you receive other e-mails</p> <p style="text-align: center;">175</p>
<p>1 would have been the August one.</p> <p>2 Q. Does this refresh your memory about</p> <p>3 whether you said you were an investor?</p> <p>4 A. Right, because at that time in May I</p> <p>5 wasn't an investor. But, in August I prefaced</p> <p>6 somewhere there, I disclosed, as a disclaimer,</p> <p>7 that I was an investor, an advisor, as well.</p> <p>8 Correct.</p> <p>9 Q. Okay. And you hadn't done any other</p> <p>10 fireside chats between the August 14th conference</p> <p>11 and when you received this on September 7th,</p> <p>12 correct?</p> <p>13 A. That's correct. So, it would have</p> <p>14 been referencing that one, correct.</p> <p>15 Q. Do you know who Mr. Demin is?</p> <p>16 A. No, I don't know him.</p> <p>17 Q. You hadn't heard from him before?</p> <p>18 A. No.</p> <p>19 Q. Did you receive Mr. Demin's message</p> <p>20 on Telegram?</p> <p>21 A. No.</p> <p>22 Q. You didn't respond?</p> <p>23 A. I don't think so.</p> <p>24 Q. When Mr. Demin said I was planning</p> <p>25 to invest in Kin, what did you think he was</p> <p style="text-align: center;">174</p>	<p>1 similar to this one where somebody was saying</p> <p>2 that they were planning to buy Kin or invest in</p> <p>3 Kin?</p> <p>4 A. Not like -- no, not necessarily.</p> <p>5 Q. You can't, sitting here, you can't</p> <p>6 remember one way or the other?</p> <p>7 A. If there was any I would have</p> <p>8 provided it to you because we opened the e-mails</p> <p>9 that were related to Kin.</p> <p>10 But, I don't think there was</p> <p>11 anything like this one.</p> <p>12 Q. So, it looks like he sent it to you</p> <p>13 at 9:51 a.m.</p> <p>14 And at 9:56 a.m. the same day you</p> <p>15 forwarded it on to Mr. Livingston; is that right?</p> <p>16 A. Where is the forward. I'm not</p> <p>17 able -- oh, here it is, yes, the forward. It</p> <p>18 goes up this way.</p> <p>19 Yeah, it seems that way, yes.</p> <p>20 Q. And you put just sort of a little</p> <p>21 symbol for a smiley face?</p> <p>22 A. Yes.</p> <p>23 Q. Why were you sending this to</p> <p>24 Mr. Livingston?</p> <p>25 A. As an FYI, as a spot of the feedback</p> <p style="text-align: center;">176</p>

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<p>1 from the chat.</p> <p>2 Q. And he responded to you, correct?</p> <p>3 With a similar, he said great and then with a</p> <p>4 similar emoticon?</p> <p>5 A. Yes. Yeah.</p> <p>6 Q. Okay.</p> <p>7 A. Thank you.</p> <p>8 Q. Is it your recollection that the</p> <p>9 Kin's token distribution event for Kin took place</p> <p>10 in September 2017?</p> <p>11 A. Yes.</p> <p>12 Q. And, you consulted with Kik about</p> <p>13 the operation of the event?</p> <p>14 A. About certain aspects of it.</p> <p>15 Q. Which aspects?</p> <p>16 A. At one point we discussed the total</p> <p>17 amount and I can't remember the rest. I was</p> <p>18 mostly responding their inquiries. If they had</p> <p>19 something they were asking me about, and I would</p> <p>20 respond. But, from memory, one of the points was</p> <p>21 about the amount. They were not too sure what</p> <p>22 the amount was going to be. And there was a</p> <p>23 communication about what I responded to limited</p> <p>24 to a certain amount.</p> <p>25 Q. What was your recommendation about,</p> <p style="text-align: center;">177</p>	<p>1 Q. Okay.</p> <p>2 A. This could have been to register for</p> <p>3 an e-mail description.</p> <p>4 Q. Okay.</p> <p>5 A. But I'm not sure.</p> <p>6 Q. I will take that. Thank you.</p> <p>7 A. Okay.</p> <p>8 (Whereupon, Exhibit 148</p> <p>9 was marked for identification.)</p> <p>10 BY MR. MENDEL:</p> <p>11 Q. I have given you what has been</p> <p>12 marked as deposition Exhibit 148.</p> <p>13 A. Uh-huh.</p> <p>14 Q. And this is a --</p> <p>15 This exhibit is a collection of</p> <p>16 different e-mails that you seem to have received?</p> <p>17 The Bates numbers aren't</p> <p>18 consecutive, if you'll notice on the lower</p> <p>19 corners of the pages.</p> <p>20 A. Yes.</p> <p>21 Q. There is an e-mail dated</p> <p>22 August 22nd, 2017, an e-mail dated August 30th,</p> <p>23 2017.</p> <p>24 A. Yes.</p> <p>25 Q. September 6, 2017.</p> <p style="text-align: center;">179</p>
<p>1 the amount?</p> <p>2 A. I think it was about 100 million. I</p> <p>3 think at one point in time Ted was asking whether</p> <p>4 it makes sense to go over 100 million.</p> <p>5 And my opinion was that it was</p> <p>6 better to stay at the 100 or less.</p> <p>7 Q. Okay.</p> <p>8 (Whereupon, Exhibit 147</p> <p>9 was marked for identification.)</p> <p>10 BY MR. MENDEL:</p> <p>11 Q. I have given you what has been</p> <p>12 marked Deposition Exhibit 147.</p> <p>13 A. Yes.</p> <p>14 Q. And this is an e-mail that you got</p> <p>15 from Kin by Kik, right, on June 2nd, 2017. Is</p> <p>16 this a confirmation of your preregistration?</p> <p>17 A. It seems that way. That is what it</p> <p>18 says.</p> <p>19 Q. Does this refresh your recollection</p> <p>20 whether you preregistered for the public</p> <p>21 offering, for the public sale?</p> <p>22 A. That is what it says, yes. That</p> <p>23 sounds a bit early. June.</p> <p>24 Q. Does this --</p> <p>25 A. I'm not sure what this was for.</p> <p style="text-align: center;">178</p>	<p>1 A. Okay.</p> <p>2 Q. Another one dated September 6, 2017.</p> <p>3 A. Yes.</p> <p>4 Q. September 7th, 2017. And</p> <p>5 September 8, 2017.</p> <p>6 A. Yes.</p> <p>7 Q. And these are all e-mails from Kin</p> <p>8 by Kik?</p> <p>9 A. Yes.</p> <p>10 Q. And you received all of these</p> <p>11 e-mails?</p> <p>12 A. Yes. Seems like, yes.</p> <p>13 Q. Do you know why you are receiving</p> <p>14 them?</p> <p>15 A. It seems to be, to have been</p> <p>16 triggered by the fact that I registered my</p> <p>17 interest in the Kin presale, in the Kin sale of</p> <p>18 the tokens.</p> <p>19 Q. If you look at the one marked</p> <p>20 Page 871, do you see that one?</p> <p>21 A. 871. One second. Yes.</p> <p>22 Q. And this one on September 6th says,</p> <p>23 "Thank you for initiating a registration process</p> <p>24 for the Kin token distribution event."</p> <p>25 A. Yes.</p> <p style="text-align: center;">180</p>

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<p>1 Q. And it seemed like you did that?</p> <p>2 A. Yes.</p> <p>3 Q. You were in Canada for the event,</p> <p>4 right? You lived in Canada at the time of the</p> <p>5 event?</p> <p>6 A. You mean on the exact day that it</p> <p>7 started?</p> <p>8 Q. In September of 2017.</p> <p>9 A. Yes.</p> <p>10 Q. So, you were ineligible to</p> <p>11 participate in the event, correct?</p> <p>12 A. That's correct, as the public, yes.</p> <p>13 Q. Would you have participated if you</p> <p>14 could?</p> <p>15 MR. CADIGAN: Objection.</p> <p>16 BY MR. MENDEL:</p> <p>17 Q. Did you want to participate in the</p> <p>18 event but couldn't because you were in Canada?</p> <p>19 A. But, I participated as an accredited</p> <p>20 investor.</p> <p>21 Q. Did you want to also participate in</p> <p>22 the token distribution event on top of your</p> <p>23 initial investment of 100,000?</p> <p>24 A. No. These are automated e-mails.</p> <p>25 Q. Correct. What would you get when</p> <p style="text-align: center;">181</p>	<p>1 And there is two bullets. The first says,</p> <p>2 "98.76 million total raise inclusive of presale</p> <p>3 and public sale. And over 10,000 total</p> <p>4 participants from 117 countries."</p> <p>5 Do you know why he is sending this</p> <p>6 to you?</p> <p>7 A. I believe he sent it to everybody</p> <p>8 who was involved. So, this was standard to recap</p> <p>9 the results of that event, those that had</p> <p>10 participated.</p> <p>11 Q. Great. That is all I have for that.</p> <p>12 Thank you.</p> <p>13 Did you continue to consult with Kik</p> <p>14 after the public sale?</p> <p>15 A. Yes.</p> <p>16 Q. And what did you do?</p> <p>17 A. It was related to the Kin Foundation</p> <p>18 to organizing the affairs of the Kin Foundation.</p> <p>19 Q. What is your understanding of Kik's</p> <p>20 efforts to develop Kin's functionality after the</p> <p>21 token distribution event through the rest of</p> <p>22 2017?</p> <p>23 A. Can you be more specific in that</p> <p>24 question?</p> <p>25 Q. Was Kik involved after the -- was --</p> <p style="text-align: center;">183</p>
<p>1 you receive these?</p> <p>2 A. Most, it depends. In many cases</p> <p>3 nothing. It is just thank you.</p> <p>4 Q. Okay.</p> <p>5 A. This was the result of when Peter</p> <p>6 told me you have to register, use the same</p> <p>7 process to register, although you are not doing</p> <p>8 the public, register so we can get captured a</p> <p>9 wallet address.</p> <p>10 So, that is what happened there.</p> <p>11 This doesn't mean that I had intended on</p> <p>12 participating in the public sale.</p> <p>13 (Whereupon, Exhibit 149</p> <p>14 was marked for identification.)</p> <p>15 BY MR. MENDEL:</p> <p>16 Q. I'm giving you what has been marked</p> <p>17 as Deposition Exhibit 149. This is an e-mail</p> <p>18 from Tanner Philp to you on September 26, 2017.</p> <p>19 Who is Tanner Philp?</p> <p>20 A. He works for Ted.</p> <p>21 Q. At Kik?</p> <p>22 A. At Kik, yes.</p> <p>23 Q. Okay. And he writes the, "Hey</p> <p>24 William, the token distribution event closed this</p> <p>25 morning. Here is a quick look at the results."</p> <p style="text-align: center;">182</p>	<p>1 Did Kik take any steps to work on</p> <p>2 the functionality of its Kin token, after the</p> <p>3 token distribution event in 2017?</p> <p>4 A. Yes.</p> <p>5 Q. What did it do?</p> <p>6 A. It had to develop the SDK.</p> <p>7 Q. What is the SDK?</p> <p>8 A. The Software Development Kit.</p> <p>9 Q. And, that was something that Kik</p> <p>10 worked on in 2017?</p> <p>11 A. I believe so.</p> <p>12 Q. After the token distribution event?</p> <p>13 A. I'm not sure exactly when they would</p> <p>14 have started before or during. It was started</p> <p>15 before.</p> <p>16 Q. And what else did they do?</p> <p>17 A. What else did Kik do?</p> <p>18 Q. To develop the functionality, what</p> <p>19 else did Kik do, following the token distribution</p> <p>20 event in 2017 with respect to the functionality</p> <p>21 of Kin?</p> <p>22 A. I wasn't, I wasn't working for them,</p> <p>23 so I don't know exactly everything they did.</p> <p>24 But, I know what they did in relation to the</p> <p>25 development to the Kin Foundation, Kin Ecosystem,</p> <p style="text-align: center;">184</p>

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<p>1 and one of the elements was the SDK, and the most 2 of my conversations were about the Kin Rewards 3 Engine and what we were going to do with the 4 Foundation, how we were going to set the 5 Foundation, how we were going to start the 6 Foundation and fulfill our obligations at the 7 Foundation. 8 Q. When were you approached about 9 becoming a director for the Kin Foundation? 10 A. Following the KRE event, there were 11 some discussions, following the KRE event, so, in 12 the fall of '17 there were some discussions about 13 my potential involvement in the Kin Foundation. 14 Q. Did you mean TDE event or KRE event? 15 A. TDE event. 16 Q. The token distribution event? 17 A. Yes. 18 Q. So, it was after, you were 19 approached after the token distribution event? 20 A. Yes. 21 Q. How did that come up? 22 A. I'm not sure exactly. I mean it was 23 a series of conversations. We had regular, we 24 had ongoing conversations with Ted and the 25 others. And yeah, I mean, I was involved with</p> <p style="text-align: center;">185</p>	<p>1 Foundation when it was created? 2 A. No. 3 Q. Do you know why? 4 MR. CADIGAN: Objection. 5 THE WITNESS: Can I answer? 6 MR. CADIGAN: Yes, please answer. 7 MR. CRIMMINS: Uh-huh. 8 THE WITNESS: No, I mean, it wasn't, 9 I don't think it is relevant. I mean, it 10 didn't matter. 11 BY MR. MENDEL: 12 Q. Okay. But, so at some point they 13 approached you and said would you be willing to 14 take over as director, as a director of the 15 Foundation? 16 A. That was the intent, yes, correct. 17 Q. Okay. And when is it that you 18 actually became a director? 19 A. I think officially, officially it 20 happened in May of 2018. Towards the middle of 21 May. 22 Q. When you were approached in 2017, 23 what was your response? 24 A. Positive. 25 Q. Was it Ted who asked you?</p> <p style="text-align: center;">187</p>
<p>1 them. 2 So, it was via a natural evolution 3 of progression of my role potentially. 4 Q. Do you have an understanding of when 5 the Foundation was created? 6 A. When? 7 Q. Yes. 8 A. I'm not sure exactly, but it was in 9 and around the date of the TDE of the token 10 distribution event. So, it would have been 11 created probably in the August or September time 12 frame of '17. 13 Q. Do you know which persons initially 14 served as directors of the Foundation? 15 A. Ted and Peter. 16 Q. Ted that is Ted Livingston, and 17 Peter Heinke? 18 A. Correct. 19 Q. Any others? 20 A. Not to my knowledge. 21 Q. Do you know why you were not named a 22 director of the Foundation when it was created? 23 MR. CADIGAN: Objection. 24 BY MR. MENDEL: 25 Q. Were you named a director of the</p> <p style="text-align: center;">186</p>	<p>1 A. I don't remember exactly who it was. 2 Q. You said you would do it? 3 A. Yes. 4 Q. So, but there was a lag in time 5 before you actually became a director; is that 6 right? 7 A. Officially. 8 Q. Officially? 9 A. But, we were working towards, I was 10 assuming a lot of, a lot of activities were 11 related to the Kin Foundation. 12 We started to have calls related to 13 the Kin Foundation. In the early fall of '17. 14 Q. Do you have any understanding of why 15 you weren't made a director earlier than May or 16 June of 2018? 17 A. To the best of my knowledge, I think 18 the SEC's investigation slowed things down. That 19 was my understanding. 20 Q. And, why was that? 21 A. Because they were busy with the SEC, 22 answering. So, that slowed everything down. 23 Q. Were there any other reasons? 24 A. As far as I knew that was the main 25 reason.</p> <p style="text-align: center;">188</p>

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<p>1 Q. And who told you it was the SEC 2 investigation that slowed things down? 3 A. They didn't tell me that. I implied 4 that. 5 Q. That is just your assumption, right? 6 A. Yes. 7 Q. No one at -- 8 A. Let me remember. It was evident. 9 Let's put it that way. It was evident, via my 10 conversations with Peter, and Ted, and Tanner 11 that the SEC investigation was slowing everything 12 down. 13 Q. But, no one ever said, neither Ted 14 nor Peter nor Tanner ever said to you we are 15 holding off making you a director because of the 16 SEC investigation, correct? 17 A. I wasn't in a hurry. I was more 18 interested in helping them. Whether I was a 19 director or not. 20 Q. But, to go to my question, none of 21 the individuals I just mentioned, Ted, Peter or 22 Tanner said we are not making you a director 23 right now because of the SEC investigation; is 24 that right? 25 A. They didn't say it that way, no,</p> <p style="text-align: center;">189</p>	<p>1 Q. Did you at this time, before you 2 were made a director, did you vote on the board? 3 A. I don't remember. We would have to 4 go to the minutes. Technically, I wouldn't 5 because I am not, I wasn't technically a board 6 member. We were discussing matters more than 7 anything. 8 Q. Did you make any decisions for the 9 Foundation before you became a director? 10 A. I don't remember exactly. I was a 11 very active contributor to a lot of the 12 discussions. But, I don't remember exactly the 13 decisions specifically. 14 Q. You don't remember making any 15 decisions, correct? 16 A. I don't remember specifically. 17 Q. Did you see yourself as having 18 decision-making responsibility before you became 19 a director? 20 A. Potentially. I mean, I was mostly 21 responding to the issues that were put forth and 22 if I saw something that needed attention, I would 23 raise it. 24 And, so, I was not a passive 25 participant. I was --</p> <p style="text-align: center;">191</p>
<p>1 they didn't say it. 2 Q. You are inferring from it the 3 circumstances? 4 A. Yes. 5 Q. Before you became a director, did 6 you attend any board meetings? 7 A. We had calls. We had numerous 8 calls. 9 Q. Were they formal board meetings or 10 were they just calls? 11 A. They were calls, they were serious 12 calls, meetings, we were discussing a lot of 13 matters relating to the Kin Foundation, the KRE, 14 the development, ecosystem development. 15 So, there were serious and long 16 calls. 17 Q. A series? 18 A. Serious and long. 19 Q. Why do you say they were serious? 20 A. We were discussing matters relating 21 to the Kin Foundation. 22 Q. And they were long calls. How long 23 did they last? 24 A. It could be one hour, two hours 25 sometimes.</p> <p style="text-align: center;">190</p>	<p>1 Q. Did you see yourself as having 2 authority to make a decision for the Foundation? 3 A. I could if I wanted to. 4 Q. How is that? 5 A. I could have influencing. I could 6 influence Ted, if I wanted to. If it made sense. 7 Q. Did you have any kind of formal 8 authority to have Ted vote a certain way for you? 9 A. When? 10 Q. Before you became a director? 11 A. Before -- 12 I think before it was more informal, 13 because I was not formally a director. 14 Q. Who else, before you became, I'm 15 just talking about the time before you became a 16 director. 17 Who else attended the board meetings 18 besides you -- well, who was on the calls, I 19 should just ask. 20 A. Early on there was another 21 individual, William Raduchel, because he was 22 going to be a potentially a board member as well. 23 And so he was on at least two calls, perhaps more 24 in the fall of '17. 25 Q. And during Mr. -- how do you say his</p> <p style="text-align: center;">192</p>

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<p>1 name?</p> <p>2 A. It is Raduchel, R-A-C-H-U-D-E-L.</p> <p>3 Bill Rachudl.</p> <p>4 Q. Or Bill Raduchel? I think it is</p> <p>5 Raduchel.</p> <p>6 A. Sorry.</p> <p>7 Q. And so he was on, you know of two</p> <p>8 calls he was on?</p> <p>9 A. From memory, that is what I</p> <p>10 remember, yes.</p> <p>11 Q. Okay. And then when did those calls</p> <p>12 with Mr. Raduchel take place?</p> <p>13 A. In the fall of '17. Probably</p> <p>14 October.</p> <p>15 Q. Did Mr. Raduchel become a director?</p> <p>16 A. To my knowledge, no.</p> <p>17 Q. And what is your understanding of</p> <p>18 why he didn't become a director?</p> <p>19 A. That I'm not sure. All I know is</p> <p>20 that he wasn't proceeding. That is, I don't know</p> <p>21 if he backed out or -- I don't know the reason.</p> <p>22 Q. Who else besides Mr. Raduchel</p> <p>23 attended the meetings before you -- in the period</p> <p>24 before you became a director, who else attended?</p> <p>25 A. Sometimes Tanner would be on the</p> <p style="text-align: center;">193</p>	<p>1 (Recess taken -- 3:22 p.m.)</p> <p>2 (After recess -- 3:37 p.m.)</p> <p>3 THE VIDEOGRAPHER: We are back on</p> <p>4 the record. The time is 3:37 p.m.</p> <p>5 BY MR. MENDEL:</p> <p>6 Q. Mr. Mougayar, let's continue talking</p> <p>7 about the Foundation, and your role there.</p> <p>8 A. Okay.</p> <p>9 Q. So, you recall becoming a formal</p> <p>10 director in May of 2018; is that right?</p> <p>11 A. Yes.</p> <p>12 Q. Or was it June?</p> <p>13 A. May.</p> <p>14 Q. May, okay. Have you received any</p> <p>15 compensation as a director?</p> <p>16 A. Yes.</p> <p>17 Q. What is the compensation that you</p> <p>18 get?</p> <p>19 A. About 5,000 a month.</p> <p>20 Q. So, that is similar to the</p> <p>21 compensation that you received as a consultant to</p> <p>22 Kik; is that right?</p> <p>23 A. Correct.</p> <p>24 Q. And are you still receiving that</p> <p>25 today?</p> <p style="text-align: center;">195</p>
<p>1 calls. And sometimes Nancy would be on the</p> <p>2 calls. Our counsel.</p> <p>3 Q. Did Tanner have any kind of position</p> <p>4 at the Foundation?</p> <p>5 A. No.</p> <p>6 Q. He worked for Kik, correct?</p> <p>7 A. Correct.</p> <p>8 Q. And Mr. Livingston attended the</p> <p>9 calls?</p> <p>10 A. Yes.</p> <p>11 Q. And Mr. Heinke?</p> <p>12 A. Yes, yes. Correct. Peter.</p> <p>13 Q. Would Eileen Lyon participate in the</p> <p>14 calls, again in the time before you became a</p> <p>15 director?</p> <p>16 A. Yes, later. I don't think she was,</p> <p>17 again from memory, I don't think she was involved</p> <p>18 in the fall. I think she came along a bit later.</p> <p>19 In '18.</p> <p>20 MR. MENDEL: Okay. This is probably</p> <p>21 a good point to take a break. Off the</p> <p>22 record.</p> <p>23 THE WITNESS: Okay.</p> <p>24 THE VIDEOGRAPHER: We are going off</p> <p>25 the record. The time is 3:22 p.m.</p> <p style="text-align: center;">194</p>	<p>1 A. Yes, I am.</p> <p>2 Q. Who pays the \$5,000? Who pays your</p> <p>3 monthly stipend?</p> <p>4 A. The Foundation.</p> <p>5 Q. About what percentage of your time</p> <p>6 is spent on Foundation responsibilities -- well,</p> <p>7 let me step back.</p> <p>8 From the time that you became a</p> <p>9 director of the Foundation in May of 2018 to the</p> <p>10 present, has the amount of time that you spent on</p> <p>11 Foundation activities, has that stayed consistent</p> <p>12 or has that changed over time?</p> <p>13 A. I would say fairly consistent.</p> <p>14 Q. Okay. And about what percentage of</p> <p>15 your business time do you spend on Foundation</p> <p>16 matters?</p> <p>17 A. Similar to before. 5 to 10 percent.</p> <p>18 Q. If you had to put a number of hours</p> <p>19 per month on it, what would you say?</p> <p>20 A. Per month.</p> <p>21 Q. Or a week, whatever is easiest.</p> <p>22 A. Hours.</p> <p>23 MR. CRIMMINS: Assuming it is</p> <p>24 consistent. If it fluctuates materially,</p> <p>25 tell counsel that.</p> <p style="text-align: center;">196</p>

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1 THE WITNESS: Yes, so, at least ten
2 hours I would say. Ten hours.
3 BY MR. MENDEL:
4 Q. Ten hours per month?
5 A. Yes.
6 Q. And going back to the time you
7 became a director in May of 2018, what other, who
8 else has been a director at the same time as you?
9 A. Ted.
10 Q. Is it just Ted, is that it?
11 A. Yes.
12 Q. And when you became a director, did
13 Peter Heinke give up his role?
14 A. Correct. Yes.
15 Q. You replaced him?
16 A. Correct, yes.
17 Q. And, so, in the period after you
18 became a director, just focusing on sort of the
19 operation of the board who attended board
20 meetings?
21 A. Typically it would be Ted and I and
22 Eileen and Tanner in most cases, and there is
23 another law firm in Canada that became the
24 counsel to the Foundation.
25 Q. Do you know the name of that?

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1 A. Borden, Borden Gervais, B-O-R-D-E-N.
2 Q. Borden?
3 A. Gervais is the second, and then
4 there is an L. But I don't remember.
5 Q. Gervais?
6 A. Gervais, J-E-R-V-A-I-S [sic]. I
7 think there is B-L-G, there is an L in the middle
8 there that I'm not remembering.
9 Q. And how did the board make decisions
10 once you became a director?
11 A. Like any board, decisions are
12 usually discussed and made jointly. So, nothing
13 unusual there.
14 Q. You and Mr. Livingston each have a
15 vote?
16 A. Yes.
17 Q. And your votes counted equally?
18 A. Yes.
19 Q. So, in order for the Foundation to
20 take an action, a particular action, both you and
21 Mr. Livingston have to vote in agreement,
22 correct?
23 A. Correct, yes.
24 Q. Okay. If one of you objects, then
25 nothing can happen?

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1 A. That's correct.
2 Q. In the event that you as a board
3 member have a conflict of interest on a
4 particular decision, can Mr. Livingston just go
5 ahead and make the single vote?
6 A. Yes, there is a provision there
7 where he would recuse himself if there was a
8 conflict.
9 Q. Actually my question was, if you
10 have a conflict of interest. Then how would a
11 board decision be made?
12 A. I haven't had that situation, I
13 think. So, I don't remember what the bylaws say
14 in that regard.
15 But, we haven't had that situation.
16 Q. Has the opposite happened? Has
17 Mr. Livingston been conflicted?
18 A. I'm trying to remember. Maybe once
19 in relation to -- maybe once, but I don't
20 remember the context. And we resolved it.
21 Q. You resolved it without him recusing
22 himself?
23 A. No, with him recusing himself.
24 Q. Oh. With him recusing. When did
25 that occur?

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1 A. It would be in the minutes. I'm
2 thinking it was probably earlier in the summer.
3 The early part of this summer. Probably in July
4 or August of this year. That is my vague
5 recollection.
6 Q. Of 2019?
7 A. Yes.
8 Q. And what was the issue concerning?
9 A. I don't remember.
10 Q. And you have never had to recuse
11 yourself from any board decisions?
12 A. That's correct.
13 Q. Besides this one episode this summer
14 in 2019, you can't recall any other episode in
15 which Mr. Livingston has recused himself?
16 A. That's correct.
17 Q. Was there ever a plan to add
18 additional directors to the Foundation board?
19 A. Yes.
20 Q. Were they added?
21 A. No.
22 Q. Why not?
23 A. Because of the SEC investigation.
24 Q. So, from the time that you joined as
25 a director until the present, no additional

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<p>1 members have been added. And in each case it was 2 because of the SEC investigation? 3 A. Correct, correct. I had made 4 overtures to a couple of potential candidates 5 back in the fall of '17. But, the SEC 6 investigation made it difficult for us to 7 proceed. 8 Q. And, who, did anyone tell you that 9 the SEC investigation was the reason for them not 10 becoming a board member? 11 A. We slowed down the process because 12 of the SEC investigation. 13 Q. Who is we? 14 A. Internally. I mean Ted and I, and 15 it became apparent that our chances to recruit 16 credible, other potential board members was being 17 jeopardized. 18 Q. So, no one actually told you that 19 they wouldn't join the board because of the SEC 20 investigation or litigation. Correct? 21 A. That's correct. 22 Q. And did you ever talk to 23 Mr. Raduchel about his not becoming a board 24 member? 25 A. No, I have not.</p> <p style="text-align: center;">201</p>	<p>1 promote the development of the ecosystem. And to 2 manage the KRE, the Kin Rewards Engine in a 3 transparent and in a good way, basically. 4 So, we were the stewards of the Kin 5 Rewards Engine. 6 Q. During this time period, again, 7 before you became a director, did Kik have any 8 employees? 9 A. Did Kik have employees, yes. 10 Q. Who? 11 A. Kik had employees. Yes. 12 Q. Did it, thank you. 13 Did the Kin Ecosystem Foundation 14 have any employees before you became a director? 15 A. No. 16 Q. So, it didn't have a CEO, correct? 17 A. Correct. 18 Q. Did the Foundation hire McKinsey? 19 A. Yes. 20 Q. What did it hire McKinsey for? 21 A. To do a study relating to the 22 economics of the token and its operation. 23 So, it was an analysis of the 24 implications and the scenarios of the token and 25 its operation.</p> <p style="text-align: center;">203</p>
<p>1 Q. So, I want to go back to the period 2 of time, I now want to talk about the Foundation 3 activities. 4 A. Okay. 5 Q. And I want to focus on the time from 6 the token distribution event in September 2017 7 through the time, until the time you were made a 8 director in May of 2018. 9 A. Okay. 10 Q. During that time period what had, 11 what did the Foundation do? 12 A. We were overseeing the development 13 and the evolution of the KRE, the Kin Rewards 14 Engine. And how it would be distributed to the 15 potential partners, to the partners. To the 16 remaining instances where we had to approve the, 17 how we incentivize the developers to participate 18 in the ecosystem. 19 That was one of the primary 20 activities. 21 Q. Did, what were some of the other 22 activities? 23 A. That is the primary one. I mean, 24 that is, I stated in the, in our mission and 25 intent, it is really, it is twofold. It is to</p> <p style="text-align: center;">202</p>	<p>1 Q. When was that study done? 2 A. I think in the fall of '17. I don't 3 remember the exact dates. 4 Q. Do you know how much the Foundation 5 spent on the McKinsey report or the McKinsey 6 project? 7 A. From memory I recall, I'm not sure 8 if they paid them in Kin or in dollars. 9 But, the number that is in my mind 10 is like 300,000. But, I may be, it is just, by 11 memory, it is documented. 12 So, you could probably go to the 13 documents. It says, I think it is 300,000, 14 something like that. 15 Q. During this time period were you 16 aware, again before you became a director, were 17 you aware of any Kik employees performing any 18 functions for the Foundation? 19 A. Well yes, Tanner, yes. 20 Q. What did he do, Mr. Philp do for the 21 Foundation? 22 A. He was doing a lot of 23 operations-types duties. He was helping Ted. He 24 has written a documentation and he would 25 summarize the actions sometimes.</p> <p style="text-align: center;">204</p>

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<p>1 So, he was really more working with 2 whatever needed to be done from the operations 3 perspective. 4 So, I'm not sure I think I can be 5 specific from memory. But, he had a role in 6 doing the, what we needed to do basically. 7 Q. So, did Mr. Philp work on the Kin 8 Rewards Engine on behalf of the Foundation? 9 A. In part he did, yes. 10 Q. And did he, was he involved in 11 hiring McKinsey to perform that study? 12 A. I think he was one of them. One of 13 those that were involved. I wasn't aware of 14 exactly how they hired them. I wasn't involved 15 in that decision. 16 Q. Before you became a director, what 17 were the Foundation's assets? 18 A. The assets were what we, the Kin, it 19 was the Kin that -- 20 Q. The 6 trillion Kin? 21 A. Yes. 22 Q. Anything else? 23 A. Not to my knowledge. 24 Q. Did the Foundation receive a loan of 25 \$100,000 from Kik?</p> <p>205</p>	<p>1 days. It could be due on demand in five days, if 2 I remember. 3 Q. Before you became a director, had 4 the Foundation actually made any money? 5 A. Made any money. Like revenue-wise? 6 Q. Correct. 7 A. No, that is not the purpose, no. 8 (Whereupon, Exhibit 150 9 was marked for identification.) 10 (Whereupon, Exhibit 151 11 was marked for identification.) 12 THE WITNESS: Yes. 13 MR. CRIMMINS: I just need to know 14 the numbers, which is which. 15 THE WITNESS: 150 and 151. 16 BY MR. MENDEL: 17 Q. I can read them for the record. So, 18 Mr. Mougayar, I have given you what has been 19 marked as Deposition Exhibit 150. 20 A. Yes. 21 Q. Starting with the Bates Number 2606 22 on the bottom. 23 A. Yes. 24 Q. And that is a multi-page document. 25 A. Okay.</p> <p>207</p>
<p>1 A. Oh, yes, yes. There was a note, I 2 don't remember the date. There was a loan for 3 operational purposes, I think. 4 Q. Was it, was it 100,000, is that what 5 you remember? 6 A. It was close to that number, yes. 7 Q. How many loans were there? Do you 8 remember? Was it more than one? 9 A. I don't remember. 10 Q. And once the money was received, 11 what was it used for? 12 A. I think some of it was used for 13 legal and some of it was the director's fees, and 14 I can't remember the rest, we would have to go 15 back to the minutes to find out. 16 Q. Was some of it used for insurance? 17 A. I'm not sure. I'm not sure. 18 Q. Did the Foundation pay back the 19 loan? 20 A. To my knowledge not yet. 21 Q. When is the loan due? 22 A. Again my memory, I mean, that 23 information is I think we made it public. There 24 is a maturity, I recall, it could be due on 25 demand as well if I remember. Within a number of</p> <p>206</p>	<p>1 Q. I have also given you Deposition 2 Exhibit 151. 3 A. Yes. 4 Q. With the Bates Number 2604 on the 5 bottom right-hand corner. 6 And so starting with Exhibit 150. 7 A. Uh-huh. 8 Q. This is a, it appears to be an 9 e-mail from Peter Heinke dated October 15th, 10 2017, to you. And there is, it appears to have 11 an attachment called the Foundation Overview? 12 A. Yes. 13 Q. Do you see that? 14 A. Yes. 15 Q. Okay. And then in the cover e-mail 16 to 150, Mr. Heinke says, "William Raduchel, as 17 discussed, mentioned that he would be willing to 18 sit on the board. However, that has not been 19 finalized." 20 You see that, right? 21 A. Uh-huh. 22 Q. And that is consistent with your 23 memory, right? 24 A. Yes. 25 Q. All right. And in Exhibit 151,</p> <p>208</p>

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1 well, in 150 Mr. Heinke had said, "As per our
2 discussion, this is initial draft, and a basis to
3 provide you an overview from which to work with."

4 And what he is talking about is an
5 overview of the Foundation. Right?

6 **A.** Yes.

7 **Q.** Okay. And you responded in
8 Exhibit 151, "Got it. I will lead the Kin
9 Foundation Formation Initiative and will apprise
10 you of our progress."

11 **A.** Yes.

12 **Q.** Did you read the overview document
13 when you received it?

14 **A.** Yes.

15 **Q.** Did you read it before you responded
16 to Mr. Heinke?

17 **A.** It seems that way. Looking at the
18 time stamps, yes.

19 **Q.** And when you say, "I will lead the
20 Kin Foundation Formation Initiative," what were
21 you agreeing to do?

22 **A.** To help to recruit some of the other
23 members of the Foundation. That is what it
24 meant.

25 **Q.** The formation initiative. Just

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1 **A.** Yes.

2 **Q.** And those were the objectives,
3 right?

4 **A.** Yes.

5 **Q.** And also it states down below, "The
6 reward engine -- the rewards engine will only pay
7 out once there is a developer on the platform."

8 Was this your understanding?

9 **A.** Yes, which bullet is this again?

10 **Q.** This is the second paragraph on
11 Page 2607.

12 **A.** Yes. Yes. Correct.

13 **Q.** Was there a developer on the Kin
14 platform at this point?

15 **A.** In October?

16 **Q.** Correct.

17 **A.** No, not in October.

18 **Q.** At this point had the Kin Reward
19 Engine made any payouts?

20 **A.** No.

21 **Q.** And then under next steps, it
22 states, also on the same page, "One, appoint
23 Board of Directors. Two, publish the Kin Rewards
24 Engine methodology."

25 **A.** Uh-huh.

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1 getting other board members?

2 **A.** Yes.

3 **Q.** Had you agreed to become a board
4 member at this time? Or were you just trying to
5 get other people to join?

6 **A.** No, I had agreed in principle, yes,
7 I think so.

8 **Q.** Did you agree with the contents of
9 the overview that you had?

10 **A.** Yes, I mean it says here Founding
11 Board Member under my name. And my name is
12 there, so, that was the intent, yes.

13 **Q.** Did you at the time you received
14 this entire document, the Foundation Overview --

15 **A.** Yes.

16 **Q.** -- did you agree with the contents
17 of the overview?

18 **A.** Yes.

19 **Q.** At Page 2607 it says at the top,
20 "The objective of the Foundation from the outset
21 has two core objectives."

22 **A.** Uh-huh.

23 **Q.** "Onboard new digital services on to
24 Kin, and 2, build and administer the rewards
25 engine."

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1 **Q.** "Three, build out partner
2 ecosystem." Correct?

3 Those were the next steps as you
4 understood them?

5 **A.** Yes.

6 **Q.** And then on the next page, 2608.

7 **A.** Yes.

8 **Q.** Additional Board Considerations.

9 And there is a list of candidates starting with
10 Olaf Carlson-Wee from Polychain.

11 **A.** Yes.

12 **Q.** Did you consider these candidates?

13 **A.** Yes.

14 **Q.** Page 2610?

15 **A.** Uh-huh.

16 **Q.** I'm at the top under Overview.

17 **A.** Yes.

18 **Q.** It states, "The Kin Ecosystem will
19 only thrive once there are multiple digital
20 services building experiences for users in
21 capturing the payout from the Kin Rewards Engine,
22 KRE, both within Kik and outside the Kik
23 Messenger environment."

24 **A.** Yes.

25 **Q.** Is that correct? Did you agree?

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<p>1 A. Yes. Yes.</p> <p>2 Q. And did you agree that there had to</p> <p>3 be digital services within Kik in order for the</p> <p>4 Kin Ecosystem to thrive?</p> <p>5 A. Within Kik and outside of Kik. Not</p> <p>6 just within Kik.</p> <p>7 Q. So, at the time you received the</p> <p>8 overview, were there multiple digital services</p> <p>9 building experiences for users?</p> <p>10 A. Not yet.</p> <p>11 Q. Reading down but stay on the same</p> <p>12 page, on the fourth paragraph it states, "The</p> <p>13 launch of the rewards engine will need to come</p> <p>14 with an initial set of launch partners as well as</p> <p>15 an established funnel of second movers."</p> <p>16 Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. And do you agree with that?</p> <p>19 A. Yes.</p> <p>20 Q. And had the Foundation identified an</p> <p>21 initial set of launch partners yet?</p> <p>22 A. I think there were early talks or</p> <p>23 discussions or lists. Yes.</p> <p>24 Q. Nothing final?</p> <p>25 A. No. It was just beginning.</p> <p>213</p>	<p>1 products that could be bought with Kin?</p> <p>2 A. When, today, or --</p> <p>3 Q. Well, let's do it in two parts.</p> <p>4 At the time, were you aware of any</p> <p>5 real world products that could be bought with</p> <p>6 Kin?</p> <p>7 A. Not at the time. No.</p> <p>8 Q. What about today? Are you aware of</p> <p>9 any?</p> <p>10 A. Not yet.</p> <p>11 Q. Today in 2019, not yet?</p> <p>12 A. Correct.</p> <p>13 Q. Okay. You can put those two down.</p> <p>14 (Whereupon, Exhibit 152</p> <p>15 was marked for identification.)</p> <p>16 BY MR. MENDEL:</p> <p>17 Q. I have given you what has been</p> <p>18 marked as Deposition Exhibit 152.</p> <p>19 A. Uh-huh.</p> <p>20 Q. And, this is an e-mail of Peter</p> <p>21 Heinke on November 9th, 2017, to you and also</p> <p>22 copying Ted at Kik and Nancy, correct?</p> <p>23 A. Yes.</p> <p>24 Q. With the subject Tomorrow</p> <p>25 Discussion.</p> <p>215</p>
<p>1 Q. The next page, 2611. There is a</p> <p>2 section marked One, Demonstrate an Appetite For</p> <p>3 Users to Transact.</p> <p>4 A. Uh-huh.</p> <p>5 Q. It says uses. But, it should be</p> <p>6 users, right? That is a typo?</p> <p>7 A. No, uses, like use cases, think of</p> <p>8 it as use cases.</p> <p>9 Q. Okay.</p> <p>10 A. Instead of saying use cases, uses.</p> <p>11 Q. Then, on the third paragraph below</p> <p>12 that header it states, "Tangible real world</p> <p>13 products are potentially the most impactful. For</p> <p>14 a small cost, Kik could purchase items of value,</p> <p>15 movie tickets, discount coupons, food, drinks, at</p> <p>16 fast food retailers, and have Kin users spend</p> <p>17 Kin.</p> <p>18 "This was proven to success with Kik</p> <p>19 points where we let users buy Amazon gift cards,</p> <p>20 sold out extremely fast with each test?"</p> <p>21 A. Okay.</p> <p>22 Q. Did you agree that real world</p> <p>23 products were potentially the most impactful?</p> <p>24 A. Potentially.</p> <p>25 Q. And, are you aware of any real world</p> <p>214</p>	<p>1 Do you recall this?</p> <p>2 A. Now that you put it in front of me,</p> <p>3 yes.</p> <p>4 Q. And it states in the second</p> <p>5 paragraph this is from Peter, "One of the things</p> <p>6 we are currently working on is getting an idea as</p> <p>7 to what the Kin Ecosystem will look like and then</p> <p>8 determining the various elements that make for</p> <p>9 sustainable ecosystem."</p> <p>10 A. Yes.</p> <p>11 Q. Is that true? Is that what you</p> <p>12 discussed?</p> <p>13 A. Seems that way.</p> <p>14 Q. That would have been on the call the</p> <p>15 next day, right?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. That is all for that one.</p> <p>18 Take your time.</p> <p>19 A. One second.</p> <p>20 Q. Yep.</p> <p>21 A. Okay. Yes.</p> <p>22 (Whereupon, Exhibit 153</p> <p>23 was marked for identification.)</p> <p>24 BY MR. MENDEL:</p> <p>25 Q. I have given you Deposition</p> <p>216</p>

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1 Exhibit 153. This is another e-mail from
2 Mr. Heinke on November 26, 2017. This one is to
3 Mr. Raduchel with a cc: to you.
4 **A.** Right.
5 **Q.** And a cc: to Nancy Wojtas at Cooley.
6 **A.** Yes.
7 **Q.** And the subject line is Economic
8 Model Work Plan.
9 You had written on November 25th, "I
10 think the this McKinsey work plan captures the
11 work pretty well. However, the real challenge is
12 the initial state. How do we get buyers and
13 sellers to transact in Kin? What is that plan?
14 What does it cost? Who has those resources? I
15 think this is a major effort."
16 What did you mean by that?
17 **MR. CADIGAN:** Wait, that e-mail is
18 from William Raduchel.
19 **THE WITNESS:** Yes, it is from me. I
20 am cc'd there. I'm not --
21 **BY MR. MENDEL:**
22 **Q.** Okay. Was it your understanding
23 that the initial state as described by
24 Mr. Raduchel had occurred?
25 **A.** At the time, I mean I was just cc'd,

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1 so ...
2 **Q.** He is asking how do we get buyers
3 and sellers to transact in Kin.
4 Was it the case that there were no
5 buyers or sellers yet?
6 **A.** I wouldn't imply that. That is,
7 that is his question. These are his questions.
8 So --
9 **Q.** What is your memory? Do you recall
10 any buyers and sellers in Kin at that time?
11 **A.** We were still early. He is
12 commenting on the study, I believe, on the
13 economic, on the study.
14 **Q.** Correct.
15 **A.** So, William, Bill, let's call him
16 Bill, Raduchel was still getting up to speed on
17 the project. He was, I was further along than he
18 was from the understanding.
19 So, his questions were more basic
20 maybe. And these are his questions. I don't
21 want to comment on his questions.
22 I have no comments, let's say, about
23 this question.
24 **Q.** Peter, below on November 15th, 2017,
25 there is an invitation to edit a worksheet or a

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1 spreadsheet. Do you see that?
2 **A.** Where is that? On that same page we
3 have?
4 **Q.** Yes, it is directly below
5 Mr. Raduchel's e-mail. Do you see that?
6 **A.** Okay. I have invited you to, about,
7 is this to me or to Raduchel? Raduchel?
8 **Q.** Well, I'm not sure if it went to you
9 or to Mr. Raduchel, but it is on the e-mail that
10 you eventually received from Mr. Heinke. Right?
11 **A.** Yes, but it is not clear whether,
12 maybe it was to Bill Raduchel. And then I was
13 cc'd, so, I may not have seen it. I --
14 **Q.** Well, let me read just the first
15 sentence of that block.
16 **A.** Yes.
17 **Q.** Quote below. It says, "Hi, as per
18 our discussion at the last meeting, we are
19 looking on behalf of the Foundation to engage
20 McKinsey for the purposes outlined in their
21 proposal."
22 **A.** Okay.
23 **Q.** So, had McKinsey not been hired yet?
24 **A.** It doesn't seem that way. I wasn't
25 directly involved with their hiring, so ...

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1 **Q.** Oh, who was?
2 **A.** It seemed that was Peter and --
3 **Q.** Did you ever become directly
4 involved with hiring McKinsey?
5 **A.** No, I was not.
6 **Q.** That was Peter's responsibility?
7 **A.** He was one of them it seems like; I
8 don't know who else was involved.
9 **Q.** Okay. We can put that one down.
10 By the time you became a director in
11 May 2018 --
12 **A.** Yes.
13 **Q.** Was the Kin Rewards Engine, had it
14 come operational?
15 **A.** Trying to think. There was a, I'm
16 trying to remember when it became operational.
17 The first payouts were, I can't
18 remember if it was February of '18 or February
19 of '19. I remember it was February. We can
20 double-check. I should know that.
21 **Q.** You are not sure whether --
22 **A.** I'm not sure. I think, I think not
23 yet.
24 **Q.** You think not yet?
25 **A.** Yes, I think it came, it became

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<p>1 operational a bit later on. We can verify that. 2 I mean the dates are public. 3 Q. Your best memory is that the first 4 payouts from the Kin Rewards Engine were made in 5 February of 2019? 6 A. Yes. I want to say '19. That would 7 make more sense. Because we were still 8 recruiting, yes. 9 Q. Okay. And so, before the first 10 payouts from the Kin Rewards Engine were made, 11 had the algorithm for the rewards engine been 12 finalized? 13 A. To a degree. I mean, there were 14 still some iterations of it. And I think we were 15 trying to simplify it. 16 Q. Yeah, I think we finalized it after 17 I joined formally. 18 Q. Were the payouts that you are 19 thinking of in February, were those manual 20 payouts or were those generated by the algorithm? 21 A. By the algorithm. It was automated. 22 It was contractual. There was a contract 23 according to the -- sorry. 24 Q. What do you mean by contract? 25 A. I mean, terms. There were terms</p> <p style="text-align: center;">221</p>	<p>1 is in the, we will look at those numbers 2 periodically. But I don't remember them right 3 now. 4 Q. Could you estimate? 5 A. No. 6 Q. Is it -- 7 A. I don't want to give you an 8 uneducated estimate. 9 Q. Could you give a range? Are we 10 talking hundreds, thousands, many more than 11 thousands? 12 A. In dollars? 13 Q. No, in payouts, in instances of Kin 14 being distributed? 15 A. To how many developers? 16 Q. I am talking about each instance of 17 a payout of Kin to a developer, consider that. 18 A. It is ongoing. So it is on a 19 monthly basis. So, that could be a few dozens on 20 a monthly basis. 21 Q. A few dozens on a monthly basis? 22 A. Yes. 23 Q. There could be, but you are not 24 sure? 25 A. Yes, that is the range. It is</p> <p style="text-align: center;">223</p>
<p>1 that, that underlie the agreement with the 2 developers. 3 Q. Is that what you would describe as a 4 smart contract? 5 A. No, no. That is different. The 6 terms of the engagement with the, each developer 7 had different terms. 8 Q. I see. 9 A. Had terms of. 10 Q. These were developers who joined 11 the -- 12 A. Ecosystem. 13 Q. The Kin Ecosystem. 14 A. Yes. 15 Q. And in order for them to receive 16 rewards they had to enter a contract with the 17 Foundation? 18 A. Correct. Correct. 19 Q. And the Foundation has those 20 contracts? 21 A. Yes. 22 Q. Do you know how many payouts the Kin 23 Rewards Engine has made since it has been in 24 operation? 25 A. I don't know the exact number. It</p> <p style="text-align: center;">222</p>	<p>1 related to the number of developers that are in 2 the ecosystem. And today there are 80 of them or 3 so. 4 Q. How many? 5 A. 80. 6 Q. 80. 7 A. About, approximately. 8 Q. 80 today. And were there any 9 developers at the time that you became a 10 director? 11 A. There were developers that were 12 developing already, yes, because -- yes. 13 Q. Were there any developers that had 14 entered a contract with the Foundation at the 15 time you became a director? 16 A. I think they started to trickle in 17 after. At least to my knowledge. 18 (Whereupon, Exhibit 154 19 was marked for identification.) 20 BY MR. MENDEL: 21 Q. So, I have given you what has been 22 marked as Deposition Exhibit 154. 23 A. Uh-huh. 24 Q. And this is an e-mail from Chris 25 Cameron dated November 28, 2017, to William</p> <p style="text-align: center;">224</p>

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1 Raduchel.
2 A. Yes.
3 Q. And to you, Mr. Mougayar.
4 And this is an e-mail concerning
5 directors and officer insurance. Is that right?
6 A. Yes.
7 Q. Okay. And do you know who Chris
8 Cameron is?
9 A. It seems it says here he is an
10 account executive.
11 Q. At the, at your insurance broker?
12 A. At Magnes Group, yes.
13 Q. Is Magnes Group your insurance
14 broker?
15 A. I'm not sure who ended up being the
16 insurance. I'm not sure if they are the ones
17 that ended up.
18 I know we received some quotes.
19 And, but I don't remember who we ended up going
20 with.
21 Q. Were you involved in obtaining the
22 D&O insurance?
23 A. No, I was not.
24 Q. Do you remember receiving this
25 quote?

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1 A. Not myself, no, I did not. No.
2 Q. Okay. If you go to, well the cover
3 e-mail says, "You will note that the premium for
4 the first 5 million is \$20,000."
5 A. Uh-huh.
6 Q. Do you recall that being the amount
7 of insurance initially discussed?
8 A. Vaguely. I think there were some
9 other numbers that were being proposed.
10 Q. Okay. Let's put that one down.
11 A. Yes.
12 (Whereupon, Exhibit 155
13 was marked for identification.)
14 BY MR. MENDEL:
15 Q. And here we have as Exhibit 155 an
16 e-mail from Chris Cameron dated December 11th,
17 2017, to Mr. Raduchel and you with a cc: to
18 Mr. Heinke.
19 And, Mr. Cameron states, "Hi
20 everyone, Thanks very much for your patience.
21 Attached is the summary for the D&O quotes we
22 have obtained to build a \$20 million tower. As
23 you will see the current deductible is set at
24 \$10,000 but it can be adjusted upwards to
25 capitalize on premium."

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1 Do you see that?
2 A. Uh-huh.
3 Q. And then if you flip to the page
4 with the Bates Number 3260 on the bottom, it is
5 the last page.
6 A. Yes.
7 Q. You will see that there is a, on the
8 left-hand side there is a rectangular box with
9 different providers listed.
10 A. Uh-huh.
11 Q. There is CNA, \$5 million, \$20,000.
12 And then Trisura \$5 million, \$10,000.
13 A. Yes.
14 Q. And then Berkeley \$10 million,
15 \$13,000.
16 A. Okay.
17 Q. Were these the additional numbers
18 that you were thinking of?
19 A. Yes, the 20 million, going up to the
20 20 million, that is what I was thinking of. From
21 the 5 million you showed me in the previous one.
22 Q. What do you remember about efforts
23 to raise the D&O insurance for the Foundation
24 from 5 million to \$20 million?
25 A. I think Bill Raduchel had suggested

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1 that it goes up to 20. And I may have agreed to
2 it, I think.
3 Q. What reasons did Mr. Raduchel
4 provide for increasing the coverage?
5 A. I'm not sure. He had more
6 experience than I did probably in sitting on
7 boards.
8 Q. Do you remember any reasons at all
9 that he discussed with you?
10 A. No.
11 Q. Were you both considered potential
12 directors of the Foundation at that time?
13 A. Yes.
14 Q. Did you have a view one way or the
15 other about how much insurance to obtain?
16 A. No, I was going along with Bill's
17 experience and recommendation.
18 Q. Do you know, it seems at this time
19 by December 11th, Mr. Raduchel still at least
20 under consideration for becoming a director?
21 A. It seems that way, yes.
22 Q. And do you know when he finally
23 decided not to become a director?
24 A. I don't know exactly. But it was
25 after this communication.

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<p>1 Q. Okay. You can put that one down. 2 (Whereupon, Exhibit 156 3 was marked for identification.) 4 THE WITNESS: Yes. 5 BY MR. MENDEL: 6 Q. And then so, Deposition Exhibit 156 7 is an e-mail from Mr. Heinke January 26, 2018, 8 still to you and Mr. Raduchel. Correct? 9 A. Uh-huh. 10 Q. And he says, well first, you have 11 e-mailed on January 26th, "Is this underway now?" 12 A. Yes. 13 Q. You are talking about the coverage 14 binder, right? 15 A. It seems like subject D&O quote, 16 yes. 17 Q. And, Peter responds, "Yes, it is in 18 place." 19 So, this was the insurance obtained, 20 right? 21 A. Yes. 22 Q. And the underlying e-mail is from, 23 I'm looking at page 3247, it is from Chris 24 Cameron, correct? 25 A. Yes.</p> <p style="text-align: center;">229</p>	<p>1 Q. Does Exhibit 157, does this consist 2 of the final insurance policies as issued for the 3 Foundation? 4 A. It seems that way, yes. 5 Q. Okay. And, these reflect the quote 6 that was provided earlier for the tower, right? 7 A. Yes. 8 Q. Up to \$20 million in coverage? 9 A. Yes. 10 Q. Was there any additional change to 11 the coverage? 12 A. Not to my knowledge. 13 Q. It stayed the same since this 14 policy? 15 A. Yes. 16 Q. Okay. Good enough, thank you. 17 A. Sure. 18 Q. So, starting with the period that 19 you became a director. 20 A. Uh-huh. 21 Q. Again, May of 2018. Is that right 22 or thereabouts? 23 A. Yes, yes, yes. 24 Q. Can you summarize, from that period 25 going forward to the present, what has the</p> <p style="text-align: center;">231</p>
<p>1 Q. So, was the coverage obtained 2 through Magnes? 3 A. Yes. 4 Q. Okay. You can put that one down, 5 please. 6 A. Okay. 7 (Whereupon, Exhibit 157 8 was marked for identification.) 9 BY MR. MENDEL: 10 Q. And so I'm now giving you what has 11 been marked Deposition Exhibit 157. 12 A. Okay. 13 Q. And this is a, an e-mail from 14 Mr. Heinke June 18th, 2018. This one is to 15 Mr. Livingston and you. Correct? 16 A. Okay. Yes. 17 Q. Are these the final insurance 18 policies that were issued? And you can take a 19 look at the cover e-mail from Mr. Heinke and then 20 there is starting on Page 3156 in the lower 21 right-hand corner there is a CNA policy. 22 A. Yep. Yep. 23 Q. And then if you flip forward to 24 Page 3211 there is a Trisura policy. 25 A. 3211. Yep.</p> <p style="text-align: center;">230</p>	<p>1 Foundation done? 2 A. Again it is related to two of the 3 priorities that were outlined. One, the 4 development of the Ecosystem developers. 5 And second the deployment of the 6 KRE, and its evolution. 7 So, we continue to discuss and 8 approve or modify, and make changes to the 9 various agreements of the developers. We talk 10 about how we are going to communicate what we are 11 doing. We talk about how the KRE could evolve. 12 And it really focused on the development of the 13 ecosystem. 14 So, that is the main agenda usually 15 of the Kin Foundation. The achievement is that 16 now we have close to 80 developers in the 17 ecosystem, within a million users that are 18 actively spending or earning Kin, the 19 cryptocurrency, on a monthly basis. 20 And since May that ecosystem has 21 continued to grow. 22 So, we have accomplished what we 23 said we are going to basically, what the 24 Foundation said they would do. 25 Q. Since May of what year?</p> <p style="text-align: center;">232</p>

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<p>1 A. '18. 2 Q. Of 2018? 3 A. Yes. 4 Q. Since you became a director? 5 A. That was your question, yes, 6 correct. 7 Q. Okay. I just want to make sure. 8 When did the first developer enter a contract 9 with the Foundation? 10 A. I'm not sure. I'm not sure. But it 11 would be in the '18 time frame. 12 Q. Have there been additional developers 13 in 2019? 14 A. Yes. We announced this via 15 Blockpost. So, there were median Blockposts 16 announcing the first batch, the second batch. 17 And nowadays when there is a significant one we 18 announce it. 19 Q. And when you say there is a million 20 users, how do you measure that? 21 A. We have statistics about the number 22 of wallets being created, about the activity of 23 earning activity and the spending activity via 24 the different use cases that exist within the 25 ecosystem.</p> <p style="text-align: center;">233</p>	<p>1 Q. When you say the group in Israel, 2 who did the group in Israel work for? Who were 3 they employees of? 4 A. Of Kik. 5 Q. Okay. So the group of Kik employees 6 were the ones doing the work for the Foundation? 7 A. Uh-huh. 8 Q. Is that still true today? 9 A. Since then the group has been wound 10 down. This was announced and now everything is 11 back in Waterloo. 12 Q. Was this related to Kik's recent 13 downsizing? 14 A. Correct. 15 Q. And that was in 2019, correct? 16 A. Yes, yes. 17 (Whereupon, Exhibit 158 18 was marked for identification.) 19 BY MR. MENDEL: 20 Q. I have given you deposition 21 Exhibit 158. 22 A. Uh-huh. 23 Q. What is 158? 24 A. You are asking me? 25 Q. Well this appears to be an e-mail</p> <p style="text-align: center;">235</p>
<p>1 Q. And so, is your testimony that there 2 is a million users spending on a monthly basis? 3 A. Earning or spending, I can't recall 4 if it is necessarily monthly active spenders, 5 spenders. Spenders. 6 Q. Those are spenders? 7 A. Yes. 8 Q. There is a million spenders? 9 A. Correct. 10 Q. And what are the different, and 11 these would be people spending Kin through the 12 developers, correct? 13 A. Users, inside the apps spending to 14 promote something or it could be earning it and 15 then spending it. 16 So, that is the economy. 17 Q. Okay. Does the Foundation today 18 have any employees? 19 A. No. Not to my knowledge, I think. 20 Q. So, who performs functions for the 21 Foundation then? 22 A. Well, they, there was a group in, in 23 Israel that was the Kin Foundation, the Kin 24 Ecosystem Group. And they were doing a lot of 25 the work there.</p> <p style="text-align: center;">234</p>	<p>1 chain, correct? 2 A. Yes. 3 Q. And at the top it is an e-mail from 4 Katie Tonin. 5 A. Uh-huh. 6 Q. Dated July 20th, 2018, to you. 7 Right? 8 A. Yes. 9 Q. With a cc: to Eileen Lyon at Kik? 10 A. Yes. 11 Q. Who is Katie Tonin? 12 A. She is Ted's assistant. 13 Q. And Eileen Lyon, well, she is the 14 general counsel at Kik, correct? 15 A. Yes. 16 Q. Okay. And is Ms. Tonin sending an 17 e-mail about setting up quarterly meetings? 18 A. Yes. 19 Q. And are these meetings of the 20 Foundation? 21 A. Yes. 22 Q. Why is Mr. Philp attending? 23 A. He is very helpful. He is the 24 operations person for Ted. So, he is very 25 critical.</p> <p style="text-align: center;">236</p>

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<p>1 Q. He is critical to the Foundation's 2 functions? 3 A. Yes, he is. I would say. 4 Q. And he is a Kik employee, right? 5 A. Yes. 6 Q. And why is Ms. Lyon attending? 7 A. She is the executive counsel, she is 8 the, to take notes and minutes. 9 Q. Was she responsible for doing the 10 minutes of the Foundation meetings? 11 A. That's correct. 12 Q. Do you know why she was performing 13 the function for the Foundation if she was 14 general counsel of Kik? 15 A. Why not? I mean, I don't 16 understand. 17 Q. Was she serving as the Foundation's 18 in-house counsel? 19 MR. CADIGAN: Objection. 20 THE WITNESS: Can I answer -- 21 MR. CADIGAN: Please answer. 22 THE WITNESS: Her function, she 23 would prepare the board package, the, she 24 would collect feedback to get the agenda 25 done.</p> <p style="text-align: center;">237</p>	<p>1 Q. This is an e-mail from you to 2 Mr. Livingston dated July 15th, 2018. 3 A. Yes. 4 Q. And you write in the second 5 paragraph, "Now that the Kin implementation is 6 nearing its operational status, we need to hire a 7 dedicated person to take on the task of managing 8 the relationships with cryptocurrency exchanges 9 so that we can increase the liquidity of the Kin 10 token and widen its true market-making 11 potential." 12 A. Okay. 13 Q. And that was your advice to 14 Mr. Livingston? 15 A. Yes. 16 Q. And he was your co-director of the 17 Foundation at this point, right? 18 A. Yes. 19 Q. What did you mean by operational 20 status for Kin, the Kin implementation. 21 A. I meant that the KRE is now, is now 22 working. That users can spend and earn the token 23 within the different applications. 24 So, it is that. That it is working. 25 Q. Your e-mail says it is nearing its</p> <p style="text-align: center;">239</p>
<p>1 And, later communicate the minutes, 2 the minutes to all of us. 3 BY MR. MENDEL: 4 Q. Did she have a role, did she have a 5 title at the Foundation? 6 A. I'm trying to remember. I think we 7 probably have her as a secretary. But I have to 8 remember. 9 Q. It looks like she is performing a 10 secretarial role for the Foundation, correct? 11 A. That's correct, yes, secretary of 12 the Foundation. 13 Q. The Foundation wasn't paying her 14 though, right? 15 A. Not additionally, no. 16 Q. Additionally from what Kik was 17 paying her? 18 A. No. 19 Q. Okay. I will take that one. 20 (Whereupon, Exhibit 159 21 was marked for identification.) 22 BY MR. MENDEL: 23 Q. I'm giving you what has been marked 24 Deposition Exhibit 159. 25 A. Uh-huh.</p> <p style="text-align: center;">238</p>	<p>1 operational status, right? 2 A. Yes. 3 Q. So, the KRE, Kin Rewards Engine was 4 not operational yet, correct? 5 A. No, nearing it, yes. 6 Q. As of the time of this e-mail? 7 A. Yes. 8 Q. And you wanted to hire a dedicated 9 person to manage relationships with exchanges? 10 A. Yes. 11 Q. Did the Foundation hire a dedicated 12 person? 13 A. We ended up hiring this person that 14 is mentioned here. Juan Llanos. 15 Q. Was he an employee of the 16 Foundation? 17 A. No, he was a contractor. 18 Q. A contractor. Who paid, who paid 19 this individual? 20 A. The Foundation paid him. He was 21 employed by, he was reporting to me partially, 22 mostly I would say. As it says here. He 23 reported to me. 24 Q. You knew him previously -- 25 A. Correct, yes.</p> <p style="text-align: center;">240</p>

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1 Q. -- Mr. Llanos?
2 A. Yes.
3 Q. Down below in this e-mail it says,
4 "Budget 15,000 a month for a period of four
5 months plus option to extend by two extra
6 months."
7 A. Yes.
8 Q. For a two-thirds FTE, right?
9 A. Yes.
10 Q. But he wasn't hired as an employee,
11 right?
12 A. That's correct.
13 Q. How did the Foundation get the money
14 to pay him?
15 A. That was part of the budget that we
16 had.
17 Q. And my question is, how did, did the
18 Foundation actually make the payment to
19 Mr. Llanos or was it Kik who made the --
20 A. That I'm not sure. Because I'm not
21 involved in the operational aspects of it. We'd
22 have to go back and check.
23 Q. Who would know the answer to that?
24 A. Tanner would know, or Peter would
25 know.

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1 Q. So, you don't know if the cash to
2 pay Mr. Llanos actually came from a Foundation
3 account?
4 A. No, I wasn't, I don't know.
5 Q. You don't know.
6 A. Okay.
7 Q. Okay. You can put that one down.
8 A. Yes.
9 (Whereupon, Exhibit 160
10 was marked for identification.)
11 BY MR. MENDEL:
12 Q. This is Deposition Exhibit 160.
13 A. Okay.
14 Q. An e-mail from you, William
15 Mougayar, to Matthew DiPietro, on July 13th,
16 2018.
17 A. Yes.
18 Q. Who is Matthew DiPietro?
19 A. He is the marketing, the person in
20 charge of Marketing at Kik.
21 Q. And you write to him, "Sounds good.
22 Talk to you then." And he had written to you
23 before then that he would call your cell.
24 A. Okay.
25 Q. Down further below you write on

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1 July 11th, "At the last meeting yesterday it was
2 agreed that we would keep Kin Kik together from a
3 lot of angles so the separation is not that clear
4 at this point.
5 "The key thing that is definitely in
6 Kin's court is the KRE development. But that is
7 works in progress and it is further being
8 defined."
9 So this is what you are writing to
10 the, Mr. DiPietro at Kik?
11 A. Yes.
12 Q. Okay. And what did you mean by
13 keeping Kin Kik together from a lot of angles?
14 A. Let me re-read this --
15 Q. Take your time.
16 A. -- so I can refresh my memory on it.
17 I think it was pertaining to the marketing
18 activities. Is that what the question is?
19 Q. My question is just what did you
20 mean by it was agreed -- first of all you are
21 referring to a discussion at a meeting. Right?
22 And since you wrote this on
23 July 11th, you are referring to a meeting the day
24 before on July 11th, 2018.
25 A. Yes.

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1 Q. And you are saying, "It was agreed
2 that we would keep Kin Kik together from a lot of
3 angles."
4 And I'm just wondering, first of all
5 who is at this meeting?
6 A. I'm trying to -- I can't remember
7 that one to be honest.
8 Q. Okay. Were you and Mr. DiPietro at
9 the meeting?
10 A. No, he wasn't at the meeting. This
11 was a meeting that I was at.
12 Q. Okay.
13 A. Perhaps with Ted or Tanner, or
14 others.
15 So, it sounds like I was updating
16 him.
17 Q. By the word Kin, did you mean the
18 Kin Ecosystem Foundation? Where you said, "It
19 was agreed that we would keep Kin Kik together
20 from a lot of angles." The reference to Kin was
21 the Foundation?
22 A. Yes. Would be.
23 Q. And the reference to Kik is the
24 company Kik Interactive, Inc.?
25 A. Or it would be Kin Ecosystems. "It

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<p>1 was agreed that we would keep Kin Kik together 2 from a lot of angles." 3 Yeah, it could be either Kin 4 Foundation or Kin Ecosystem. But, yes. 5 Q. Was Mr. DiPietro performing 6 marketing functions for the Foundation or the 7 Ecosystem? 8 A. Not yet. He was beginning to. He 9 was going to be doing it. But not officially, 10 not ... 11 Q. What marketing efforts were being 12 considered? 13 A. He was more involved with Kik 14 specifically, not with Kin. 15 There was a plan to make him do more 16 work for Kin. But these plans did not 17 materialize. He ended up leaving the company 18 subsequently. 19 Q. When did he leave? 20 A. I'm trying to remember when he left. 21 A few months after this memo. He wasn't doing a 22 very good job. We were not very pleased with his 23 performance. So he ended up leaving the company. 24 Q. Did someone replace him to take on 25 the marketing role for the ecosystem?</p> <p>245</p>	<p>1 A. Yes. 2 Q. And I believe the last one was sent 3 on December 20th, 2018. 4 A. Okay. 5 Q. And they were for meetings planned 6 between August 3, 2018, and July 25, 2019. 7 A. Uh-huh. 8 Q. If you could take just a minute to 9 look through and confirm that these are Google 10 calendar invites that you received. 11 A. Yes. Yep. 12 Q. So, you will see, looking at the 13 first page of Exhibit 161, this is a Google 14 calendar document sent July 23rd, 2018, for a 15 meeting scheduled for October 11th, 2018. Right? 16 A. Okay. 17 Q. And the subject is Kin Foundation 18 Q4. 19 A. Uh-huh. 20 Q. So, this was a meeting planned to 21 discuss the Foundation in Q4. 22 Would this be considering the 23 quarter past or the quarter coming up? 24 A. There was the quarter, this is sent 25 in July.</p> <p>247</p>
<p>1 A. No. 2 Q. Did someone replace him to take on a 3 marketing role for Kik? 4 A. No, not that I know of. 5 Q. Okay. You can put that one down. 6 (Whereupon, Exhibit 161 7 was marked for identification.) 8 BY MR. MENDEL: 9 Q. So, I have given you what has been 10 marked Deposition Exhibit 161. 11 A. Yes. 12 Q. And this is a group of e-mails that 13 you appear to have received or rather would you 14 describe them as calendar invites? 15 A. It seems that way, yes. 16 Q. These are Google calendar invites? 17 A. Yes. 18 Q. And, just for the record, these are 19 nonconsecutive Bates Numbers. 20 So, on the lower right-hand corner? 21 A. Okay. 22 Q. But, it is a group of invites that 23 you appear to have received. And these were 24 calendar invitations that were sent between 25 July 23rd 2018 on the front page; is that right?</p> <p>246</p>	<p>1 Q. Right. And the meeting is set for 2 October 11th. 3 So, the October 11th meeting would 4 you -- I guess I'm trying to just -- 5 A. The fourth. 6 Q. The fourth quarter would be a 7 calendar year? 8 A. Yes. 9 Q. Okay. And it says in terms of who 10 would attend it would be Mr. Livingston, Katie 11 Tonin, his assistant, right? 12 A. Uh-huh. 13 Q. Eileen Lyon, you William Mougayar, 14 and Tanner Philp, correct? 15 A. Katie would not attend. She was 16 just the organizer. 17 Q. Just the organizer. Everyone else 18 would attend? 19 A. Yes. 20 Q. And this was a consistent set of 21 people who would attend these meetings? 22 A. Yes. 23 Q. Can you look at the invite for, go 24 to the page that says 3240 in the lower right 25 corner.</p> <p>248</p>

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<p>1 A. Yes.</p> <p>2 Q. This was an invite sent on</p> <p>3 August 2nd, 2018, and the subject is Kin</p> <p>4 Foundation. Call Ed Mondo, Ed Modo, excuse me.</p> <p>5 Do you see that?</p> <p>6 A. They are one of the developers.</p> <p>7 Q. And in terms of who is going to</p> <p>8 participate, you have Dany Fishel attending as</p> <p>9 well, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And he is a Kik person?</p> <p>12 A. Yes.</p> <p>13 Q. He was in Israel, right?</p> <p>14 A. Correct.</p> <p>15 Q. He was part of the Israel group?</p> <p>16 A. Yes. Correct.</p> <p>17 Q. What about Matt Hibberd.</p> <p>18 A. He was part of the U.S. Kik.</p> <p>19 Q. What was his role?</p> <p>20 A. Also the developer's relations,</p> <p>21 getting developers on board in the U.S.</p> <p>22 Q. Okay. That is all for that one.</p> <p>23 A. Okay.</p> <p>24 (Whereupon, Exhibit 162</p> <p>25 was marked for identification.)</p> <p>249</p>	<p>1 Q. And is this an update on the project</p> <p>2 run for the exchange listing?</p> <p>3 A. Yes, that was Juan sending us an</p> <p>4 update.</p> <p>5 Q. There is a domain name</p> <p>6 kinecosystem.com.</p> <p>7 A. Uh-huh.</p> <p>8 Q. Where did that domain name come</p> <p>9 from?</p> <p>10 A. That was the domain they had before</p> <p>11 they were able to secure the Kin domain, I</p> <p>12 believe. So, Kinecosystem is one of them. And,</p> <p>13 you know, that was the one that they had obtained</p> <p>14 before.</p> <p>15 Q. Do you know why Mr. Hibberd is using</p> <p>16 that domain name rather than the Kik domain name?</p> <p>17 MR. CRIMMINS: Objection.</p> <p>18 BY MR. MENDEL:</p> <p>19 Q. You can answer.</p> <p>20 A. They were being used</p> <p>21 interchangeably, I think. Because he was doing</p> <p>22 work on behalf of the, to grow the Kin Ecosystem.</p> <p>23 So that is how the ecosystem is known to the</p> <p>24 outside, the Kin Ecosystem.</p> <p>25 Q. Does this reflect, there is a</p> <p>251</p>
<p>1 BY MR. MENDEL:</p> <p>2 Q. So, I have given you Deposition</p> <p>3 Exhibit 162.</p> <p>4 A. Yes.</p> <p>5 Q. And this is a September 13th, 2018,</p> <p>6 e-mail from Matt Hibberd to Juan Llanos.</p> <p>7 A. Uh-huh.</p> <p>8 Q. He is the individual that you</p> <p>9 mentioned that working on the exchange project or</p> <p>10 the exchange listing project?</p> <p>11 A. Correct, yes.</p> <p>12 Q. Dany Fishel is also listed and there</p> <p>13 is a cc: line that includes you and others.</p> <p>14 And this is actually Mr. Matt</p> <p>15 Hibberd had just responded adding Dany Fishel.</p> <p>16 A. Uh-huh.</p> <p>17 Q. And presumably everyone else on this</p> <p>18 e-mail was already notified.</p> <p>19 A. Yes.</p> <p>20 Q. Correct? The e-mail is the list of</p> <p>21 attendees, or, I'm sorry, recipients and then</p> <p>22 Mr. Fishel was added.</p> <p>23 A. Yes.</p> <p>24 Q. Do I have that right?</p> <p>25 A. Yes.</p> <p>250</p>	<p>1 section that says 2018-09-13 Update. This week's</p> <p>2 progress table.</p> <p>3 A. Uh-huh.</p> <p>4 Q. Does this summarize the status of</p> <p>5 the different exchanges that had been contacted?</p> <p>6 A. Yes.</p> <p>7 Q. Or at least considered?</p> <p>8 A. Yes, that is what it says, yes.</p> <p>9 Q. Okay. And so at this point, on</p> <p>10 September 13th, 2018, there were no exchanges</p> <p>11 that had been signed up, correct?</p> <p>12 A. That's correct. Yes.</p> <p>13 Q. And none were operational?</p> <p>14 A. Correct. Zero.</p> <p>15 Q. And there were four that were</p> <p>16 disengaged, correct?</p> <p>17 A. Yes.</p> <p>18 Q. That is all I have for that one.</p> <p>19 A. Okay.</p> <p>20 MR. MENDEL: Why don't we go off the</p> <p>21 record. We have to change the tape.</p> <p>22 THE VIDEOGRAPHER: We are going off</p> <p>23 the record. This is the end of Media Unit</p> <p>24 Number 3. The time is 4:54 p.m.</p> <p>25 (Recess taken -- 4:54 p.m.)</p> <p>252</p>

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<p>1 (After recess -- 5:05 p.m.) 2 THE VIDEOGRAPHER: We are back on 3 the record. This is the beginning of Media 4 Unit Number 4. The time is 5:05 p.m. 5 (Whereupon, Exhibit 163 6 was marked for identification.) 7 BY MR. MENDEL: 8 Q. Mr. Mougayar, I have handed you what 9 has been marked as Deposition Exhibit 163. It 10 says Draft Kin Ecosystem Foundation Minutes of 11 the Meeting of the Board of Directors, 12 October 11th, 2018. Right? 13 A. Yes. 14 Q. So, this is unsigned. And then on 15 the back you will see Eileen Lyons, Secretary, 16 right? Does that refresh your memory of what 17 role she had? She was a secretary. 18 A. Yes. 19 Q. And, Ted Livingston, Chair. 20 A. Yes. 21 Q. So, when it says Ted Livingston, 22 Chair. Did you have another, like title as a 23 director? 24 A. No. 25 Q. Is he like perceived as -- by a</p> <p style="text-align: center;">253</p>	<p>1 development of the Ecosystem as opposed to be 2 used to fund Kik operations." 3 A. Uh-huh. 4 Q. "In the discussion that followed, it 5 was recognized that certain expenses should be 6 paid for by the Foundation, for example, legal, 7 audit, rent, partnerships, director fees, and 8 insurance, but that a portion of the funds raised 9 in the ICO were for the establishment and 10 development of the ecosystem and that a suitable 11 mechanism had to be established for those funds 12 to flow to the Foundation." 13 I will stop there. Were funds 14 raised in ICO provided from Kik to the 15 Foundation? 16 A. Were funds raised in the ICO made 17 available to the Foundation, that is your 18 question? 19 Q. Yes. 20 A. Yes, that is what this says. 21 Q. Well, this says that there was a, 22 there was a discussion that recognized that a 23 portion of the funds raised in the ICO were for 24 the establishment and development of the 25 ecosystem. And that a suitable mechanism had to</p> <p style="text-align: center;">255</p>
<p>1 Chair, does he have a lead role as a director? 2 A. It is more administrative. I mean 3 he calls the meeting to order. 4 Q. Okay. He is the Chair of the Board 5 Of Directors, okay. And you are just a director? 6 A. Yes. 7 MR. CADIGAN: Objection. 8 BY MR. MENDEL: 9 Q. I'm on the first page now, 2303, in 10 the last paragraph. 11 There was a discussion. I am 12 reading from the carryover sentence starting 13 "There was a discussion." 14 Do you see that sentence? 15 A. A brief discussion of the expenses? 16 Q. Within that paragraph. 17 A. Okay. 18 Q. Second to the last line there was a 19 discussion. 20 A. Yes, yes. I am on it, yes. There 21 was a discussion. 22 Q. "There is a discussion of the extent 23 to which funds raised by Kik in the initial coin 24 offering, ICO, in September 2017 were to be 25 provided to the Foundation to fund the</p> <p style="text-align: center;">254</p>	<p>1 be established for those funds to flow to the 2 Foundation. 3 My question is, was that mechanism 4 established? 5 A. Oh, I see. Not, I mean, this is, 6 this was reflected in the loan. So, the, it is a 7 loan. And it is the loan that funds our 8 operations at this point. 9 Q. And how much, was this the loan that 10 we just talked about earlier? 11 A. Yes, yes. The Foundation does not 12 have -- yes, that was the loan, yes. 13 Q. Okay. And we talked about a loan 14 being \$100,000? 15 A. 100 and change, I think if I recall. 16 Q. And you are not aware of any further 17 distribution of funds from Kik to the Foundation 18 besides that loan? 19 A. That's correct. 20 Q. Okay. You can put that one down. 21 (Whereupon, Exhibit 164 22 was marked for identification.) 23 BY MR. MENDEL: 24 Q. And Mr. Mougayar, I have given you 25 what has been marked as 164.</p> <p style="text-align: center;">256</p>

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<p>1 A. Yes.</p> <p>2 Q. Deposition Exhibit 164.</p> <p>3 And it says on the, it is a slide</p> <p>4 presentation; is that right?</p> <p>5 A. Uh-huh.</p> <p>6 Q. The first page is 1540. And it says</p> <p>7 Legal Separation, January 19th, 2019, correct?</p> <p>8 A. Yes.</p> <p>9 Q. What is this PowerPoint for?</p> <p>10 A. I think this was a proposal.</p> <p>11 Q. A proposal by who?</p> <p>12 A. I think Brandon had worked on that.</p> <p>13 Q. I'm sorry, who?</p> <p>14 A. Brandon.</p> <p>15 Q. And who is Brandon?</p> <p>16 A. He is a finance director at Kik.</p> <p>17 His name figures in some of those. He kind of</p> <p>18 replaced Peter's, he took Peter's job, basically.</p> <p>19 Q. Mr. Heinke?</p> <p>20 A. Yes.</p> <p>21 Q. And who was he proposing to legally</p> <p>22 separate?</p> <p>23 A. Who was he proposing?</p> <p>24 Q. It says legal separation. What is</p> <p>25 being separated under his proposal?</p> <p>257</p>	<p>1 A. Yes, we had entered into an</p> <p>2 agreement where Kik would perform services for</p> <p>3 the Kin Foundation, I recall that.</p> <p>4 Q. Was this agreement, was it</p> <p>5 formalized? Was it signed and executed?</p> <p>6 A. I believe so. If I recall that was</p> <p>7 done a while back.</p> <p>8 Q. Do you know when?</p> <p>9 A. A few months ago. I want to guess</p> <p>10 in '18.</p> <p>11 Q. Okay.</p> <p>12 A. In '18.</p> <p>13 Q. Did you, were you a director at the</p> <p>14 time the agreement was entered into?</p> <p>15 A. From memory, I would say yes it</p> <p>16 would have been after May of '18.</p> <p>17 Q. Okay. So you would have signed it</p> <p>18 or you would have voted on it?</p> <p>19 A. Yes, that is my recollection. That</p> <p>20 is so far. I am not positive 100 percent. But,</p> <p>21 that is what I remember right now.</p> <p>22 Q. So, before this services agreement,</p> <p>23 was there any other agreement under which Kik</p> <p>24 employees provided services to the Foundation?</p> <p>25 A. I don't think so. Not under a</p> <p>259</p>
<p>1 A. I'm trying to refresh my memory on</p> <p>2 this. Because we discussed it, but we didn't, it</p> <p>3 was not, it was not initiated.</p> <p>4 There was a point where we were</p> <p>5 discussing the, having a Kin business unit that</p> <p>6 would be separate from Kik.</p> <p>7 So, this was in relation to that.</p> <p>8 Q. Was the Kin Foundation, was the Kin</p> <p>9 business unit to be part of the Foundation? Or</p> <p>10 separate?</p> <p>11 A. We had not discussed that.</p> <p>12 Q. Was it a business unit to be broken</p> <p>13 off of Kik?</p> <p>14 A. Yes, that was the proposal. That</p> <p>15 was an idea. It was a plan. It wasn't done yet.</p> <p>16 Q. It wasn't executed on?</p> <p>17 A. No, it was one of the options at the</p> <p>18 time.</p> <p>19 Q. Because up until this time, the Kin</p> <p>20 Ecosystem was being worked on by the Israel</p> <p>21 group, a part of Kik, right?</p> <p>22 A. Yes, yes, yes.</p> <p>23 Q. Are you familiar with any services</p> <p>24 contract between the Foundation and Kik under</p> <p>25 which the work was performed?</p> <p>258</p>	<p>1 formal agreement. Not under an agreement. I</p> <p>2 have to recall, I have to see the agreement again</p> <p>3 to see what period it covered. So I don't</p> <p>4 remember exactly. I don't want to just, yeah, I</p> <p>5 just don't remember.</p> <p>6 Q. Are you aware of any money being</p> <p>7 paid from the Foundation to Kik under the</p> <p>8 services agreement?</p> <p>9 A. From the Foundation to Kik?</p> <p>10 Q. Correct.</p> <p>11 A. I don't remember that. I would have</p> <p>12 to look at the agreement to really refresh my</p> <p>13 memory.</p> <p>14 Q. Well. I'm just asking if you can</p> <p>15 remember, sitting here today, any -- anything of</p> <p>16 value being provided from the Foundation to Kik</p> <p>17 as compensation under the services agreement?</p> <p>18 A. No, I don't remember that.</p> <p>19 Q. So, how was it that Kik was</p> <p>20 providing the services? Was it for free?</p> <p>21 A. Some of it was for free, yes.</p> <p>22 Q. What was for free?</p> <p>23 A. Whatever had to be done on it.</p> <p>24 Q. Kik was just doing it for the</p> <p>25 Foundation for free?</p> <p>260</p>

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1 A. In some cases. And they were being
2 paid by Kik. Yes.
3 Q. And that was under the agreement?
4 A. I would have to look at the
5 agreement.
6 Q. You don't know what the agreement
7 says without looking at it, correct?
8 A. Correct.
9 Q. But you are not aware of any
10 compensation being provided to Kik?
11 A. That's correct.
12 Q. Have you paid any legal bills
13 related to the SEC investigation or this lawsuit?
14 A. Have I personally?
15 Q. Correct.
16 A. No.
17 Q. Is it, do you have an understanding
18 who is covering your bills?
19 A. Yes.
20 Q. Who?
21 A. The Kik.
22 Q. Kik is paying the bills?
23 A. Yes.
24 Q. It is not covered by the insurance
25 policy that the Foundation took out?

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1 A. Yes, that is correct. It is
2 covered, it is, yeah, correct. I should correct
3 myself. It is my understanding. But, I'm not
4 very, very close to that.
5 I think it was covered by the
6 insurance policy. But, I'm not 100 percent sure.
7 Q. You are not -- okay. You haven't
8 personally paid any out of pocket costs?
9 Like are you paying for any of your
10 travel expenses to D.C.?
11 A. Yes, so far I don't know who is
12 going to pay me anything back to be honest. I
13 have paid my way here. I was under the
14 assumption that I would get reimbursed by the SEC
15 for travel and hotel.
16 But, aside from that, I am not
17 getting reimbursed by Kik or Kin Foundation for
18 any other expenses for this trip.
19 Q. Has anybody made any payments to you
20 at all for appearing for this deposition?
21 A. Not at all.
22 Q. Has anyone made any payments to you
23 for preparing for this deposition?
24 A. No.
25 Q. And do you have any understanding

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1 with anyone for future payments to you for either
2 preparing for the deposition or attending the
3 deposition?
4 A. No. There is none of that, no,
5 there is none of that.
6 Q. And since September 2017 you have
7 received \$5,000 a month, correct?
8 A. Of which year? September?
9 Q. Since you, let me rephrase.
10 Since your testimony earlier was
11 since becoming a director, your compensation as a
12 director is \$5,000 a month.
13 A. Yes, there was a period of maybe
14 three months where it was decided that I would
15 get 10,000 instead of five. There was a
16 transitional period where we were, I think
17 forming, I think it would have been maybe the end
18 of '17, or end of '18 perhaps. Only three months
19 where I would, I was getting paid 10,000 instead
20 of five because there was extra work being --
21 It reflected the additional amount
22 of time that was, that I was spending.
23 Q. When was that?
24 A. I would have to look at the
25 contract. I think it was in the fall of '18. It

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1 would have been in the fall of '18.
2 Q. Did you meet with any lawyers to
3 prepare for today's deposition?
4 A. I met with my lawyer.
5 Q. You met with Mr. Crimmins?
6 A. Correct.
7 Q. Did you meet with lawyers from
8 Cooley?
9 A. We had a call on Monday. A brief
10 call.
11 Q. Okay. Just a brief call?
12 A. Yes.
13 Q. How long did you meet with
14 Mr. Crimmins?
15 A. Yesterday?
16 Q. Yes.
17 A. About three and a half hours.
18 Q. You met in his office?
19 A. Yes.
20 Q. Did you review documents?
21 A. We reviewed the --
22 MR. CRIMMINS: Not what the
23 documents were. But you can say whether you
24 reviewed documents.
25 THE WITNESS: Yes, we reviewed

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<p>1 documents, yes. 2 BY MR. MENDEL: 3 Q. Okay. About how many? 4 A. In terms of quantity? 5 Q. Quantity, correct. 6 A. Is an e-mail a document? 7 Q. Yes. 8 A. So, one e-mail is one document? 9 Q. Yes. Like what I have been dealing 10 with, giving you today, exhibits, like one 11 exhibit is a document. So -- 12 A. Yeah, about the same amount. I 13 would say a binder of -- 14 Q. A binder of documents? 15 A. Yes. 16 Q. And did those documents refresh your 17 recollection? 18 A. Yes. Yes. 19 Q. Besides your preparation yesterday, 20 did you do anything else to prepare for the 21 deposition? 22 A. I re-read a number of the e-mails 23 that -- 24 MR. CRIMMINS: Don't discuss 25 anything that I might have told you to do.</p> <p>265</p>	<p>1 CERTIFICATE OF COURT REPORTER 2 UNITED STATES OF AMERICA) 3 DISTRICT OF COLUMBIA) 4 I, LORI J. GOODIN, RPR, CLR, CRR, the 5 reporter before whom the foregoing deposition was 6 taken, do hereby certify that the witness whose 7 testimony appears in the foregoing deposition was 8 sworn by me; that the testimony of said witness 9 was taken by me in machine shorthand and 10 thereafter transcribed by computer-aided 11 transcription; that said deposition is a true 12 record of the testimony given by said witness; 13 that I am neither counsel for, related to, nor 14 employed by any of the parties to the action in 15 which this deposition was taken; and, further, 16 that I am not a relative or employee of any 17 attorney or counsel employed by the parties 18 hereto, or financially or otherwise interested in 19 the outcome of this action. 20 21 22 LORI J. GOODIN, RPR, CLR, CRR, RSA 23 Notary Public in and for the 24 District of Columbia 25 My Commission expires: May 14, 2021</p> <p>267</p>
<p>1 THE WITNESS: Yes. I re-read the 2 e-mails that were pertinent to my involvement 3 with the company. 4 MR. MENDEL: I pass the witness. 5 MR. CADIGAN: I waive. I have no 6 questions. 7 MR. CRIMMINS: No questions. 8 MR. MENDEL: Thank you, 9 Mr. Mougayar. 10 THE WITNESS: Thank you. 11 THE VIDEOGRAPHER: Please stand by. 12 We are off the record at 5:20 p.m., and this 13 concludes today's testimony of William 14 Mougayar. 15 The total number of media units used 16 was four. 17 (Whereupon, signature not having been 18 waived, the deposition concluded at 5:20 p.m.) 19 * * * 20 21 22 23 24 25</p> <p>266</p>	<p>1 DECLARATION UNDER PENALTY OF PERJURY 2 3 4 5 6 7 I declare under penalty of perjury 8 that I have read the entire transcript of 9 my Deposition taken in the captioned matter 10 or the same has been read to me, and 11 the same is true and accurate, save and 12 except for changes and/or corrections, if 13 any, as indicated by me on the DEPOSITION 14 ERRATA SHEET hereof, with the understanding 15 that I offer these changes as if still under 16 oath. 17 Signed on the _____ day of 18 _____, 20____. 19 20 21 William Mougayar 22 23 24 25</p> <p>268</p>

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<p>1 ERRATA SHEET</p> <p>2 Deposition of: WILLIAM MOUGAYAR</p> <p>3 Date taken: DECEMBER 6, 2019</p> <p>4 Case: SEC vs. KIK INTERACTIVE, INC.</p> <p>5 PAGE LINE</p> <p>6 _____ CHANGE: _____</p> <p>7 _____ REASON: _____</p> <p>8 _____</p> <p>9 _____ CHANGE: _____</p> <p>10 _____ REASON: _____</p> <p>11 _____</p> <p>12 _____ CHANGE: _____</p> <p>13 _____ REASON: _____</p> <p>14 _____</p> <p>15 _____ CHANGE: _____</p> <p>16 _____ REASON: _____</p> <p>17 _____</p> <p>18 _____ CHANGE: _____</p> <p>19 _____ REASON: _____</p> <p>20 _____</p> <p>21 _____ CHANGE: _____</p> <p>22 _____ REASON: _____</p> <p>23 _____</p> <p>24 _____</p> <p>25 Signed _____</p> <p>Dated _____</p> <p style="text-align: center;">269</p>	
<p>1 ERRATA SHEET</p> <p>2 Deposition of: WILLIAM MOUGAYAR</p> <p>3 Date taken: DECEMBER 6, 2019</p> <p>4 (Errata Page 2)</p> <p>5 PAGE LINE</p> <p>6 _____ CHANGE: _____</p> <p>7 _____ REASON: _____</p> <p>8 _____</p> <p>9 _____ CHANGE: _____</p> <p>10 _____ REASON: _____</p> <p>11 _____</p> <p>12 _____ CHANGE: _____</p> <p>13 _____ REASON: _____</p> <p>14 _____</p> <p>15 _____ CHANGE: _____</p> <p>16 _____ REASON: _____</p> <p>17 _____</p> <p>18 _____ CHANGE: _____</p> <p>19 _____ REASON: _____</p> <p>20 _____</p> <p>21 _____ CHANGE: _____</p> <p>22 _____ REASON: _____</p> <p>23 _____</p> <p>24 _____</p> <p>25 Signed _____</p> <p>Dated _____</p> <p style="text-align: center;">270</p>	